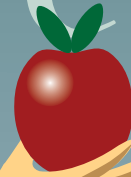


Clarity Taxation



Summer 2020

# Prosper



## The Big Move!

We're in! Clarity are proud to announce the opening of our new offices in Belgrave.

## New Personal Tax Rates

Budget 2020 announcement on personal tax rates for the coming year.

## Instant Asset Write-Off

Good news for capital investment in the latest Budget release.

## JobMaker Hiring Credits

Incentives announced to encourage businesses to take on new staff.

## New Business Start-Ups

Some may say recent events would suggest this is not a good time to start a new business. So what should be considered?

# Welcome to Clarity in Belgrave!

So we have finally landed in our new home in the Dandenong foothills township of Belgrave! Just like our former premises in Croydon North, we have re-located to a similarly iconic building in the main street in the heart of Belgrave.

Everyone who is familiar with the town will recognise the building, which is next door to the Bendigo Bank at number 1658 Burwood Highway.

Obviously we did not want to make too many changes to this landmark building, so we engaged our design team at Bulldog Creatrix to develop our branding to complement the existing premises.

Our symbolic Minerva got a makeover to keep her in step with her new surroundings and with the help of Belgrave Signs and Marlin Signs our frontage design was installed just in time for the easing of COVID restrictions.

We are all delighted with the move which has given us extra capacity on two floors, allowing us the luxury of private meeting rooms if required and a generally relaxed 'vibe'!

Of course, everything else to do with our service is just the same as it was before. You will still receive the warm reception and diligence that you have come to expect from Clarity Taxation with our usual plain English approach to dealing with your tax and business finance matters.

We look forward to seeing you at our new office – existing customers, friends and families!



# Budget Rundown



Treasurer Josh Frydenberg presented his second Budget on October 6 in what was described as the, "most important Budget since World War II".

As expected, there is massive expenditure to reboot and stimulate the economy after the economic devastation brought on by the COVID Pandemic and the forced shutdown of the economy.

The Budget outlined \$85 billion of stimulus over four years, which is centred around immediate asset write-offs, income tax cuts and the extension of JobKeeper.

The Treasurer promised a budget that was "all about jobs" and employment is indeed the theme of the suite of budget measures.

## Key Points

- The bringing forward of the individual tax relief planned for 2021, backdated to 1 July 2020
- A new loss carry-back for losses incurred up to June 2022 for companies with turnovers of up to \$5 billion allowing most businesses to fully deduct any investment into depreciable assets until 30 June 2022.
- A new JobMaker Hiring Credit for companies employing staff aged between 16 to 35 years old.

## "The most important Budget since World War II"

For small and medium businesses, this translates to new wage subsidies for hiring young job-seekers and new apprentices, albeit with tight eligibility criteria.

The Treasurer said, "There is no Economic Recovery without a Jobs Recovery" and "there is no Budget Recovery without a Jobs Recovery."

Frydenberg's goal is to get businesses investing again, in new equipment, machinery and new jobs. To this end, the Government has announced a massive investment allowance that will enable nearly all Australian businesses to fully write-off all new assets purchased and used by June 2022.

More Budget details...



# Budget 2020 - Personal Income Tax

As part of the Government's JobMaker Plan, the tax cuts originally planned for July 2022 will be brought forward and backdated to July 1, 2020.

They have lifted the threshold for the 19% tax rate to \$45,000 and the 32.5% threshold to \$120,000. The low and middle-income tax offset will also remain.

The Government's Personal Income Tax Plan was designed to lower personal taxation and was to be implemented in three stages with Stage 1 implemented in June 2018. Stage 2 was to commence in 2021, however, this

Budget brings forward those tax cuts as well as a one-off additional benefit from the low and middle income tax offset in 2020/21.

Stage 3 of the Government's Personal Income Tax Plan remains in place for roll-out in 2024/25.

In 2020/21, low and middle income earners will receive tax relief of up to \$2,745 for singles and up to \$5,490 for dual income families, compared with the 2017/18 rates. The majority of the tax benefit for 2020/21 will go to those on incomes below \$90,000.

**Refer to the tables below.**

## Tax Rate & Thresholds In 2017/18 Compared To 2020/21

Tax Rates 2017/18	Thresholds 2017/18	Tax Rates 2020/21	Thresholds 2020/21	2024/25
Nil	Up to \$18,200	Nil	Up to \$18,200	Same
19%	\$18,201 to \$37,000	19%	\$18,201 to \$45,000	Same
32.5%	\$37,001 to \$90,000	32.5%	\$45,001 to \$120,000	30% \$45k to \$200k
37%	\$90,001 to \$180,000	37%	\$120,001 to \$180,000	
45%	\$180,000+	45%	\$180,000+	\$200k+
Low Income Offset	Up to \$445	Low Income Offset	Up to \$700	Same

## Tax Relief Based On Taxable Income In 2020/21 Compared To 2017/18

Taxable Income	2017/18 Tax Liability	2020/21 Tax Liability	Change in Tax	
\$40,000	\$4,947	\$3,887	-\$1,060	-21.4%
\$60,000	\$12,147	\$9,987	-\$2,160	-17.8%
\$80,000	\$19,147	\$16,987	-\$2,160	-11.3%
\$100,000	\$26,623	\$24,187	-\$2,445	-9.2%
\$120,000	\$34,432	\$31,687	-\$2,745	-8.0%
\$140,000	\$42,232	\$39,667	-\$2,565	-6.1%
\$160,000	\$50,032	\$47,467	-\$2,565	-5.1%
\$180,000	\$57,832	\$55,267	-\$2,565	-4.4%
\$200,000	\$67,232	\$64,667	-\$2,565	-3.8%

# Budget 2020 - Business Tax

## Instant Asset Write-Off

Generally speaking, a business asset is 'depreciated', meaning that a portion of the cost of the asset is deductible each year over the life of the asset. Under this measure, businesses with aggregated annual turnover of less than \$5 billion will be able to deduct the full cost of eligible capital assets acquired from 7:30pm AEDT on 6 October 2020 (Budget night) and first used or installed by June 30, 2022.

Full expensing of the asset in the year of first use will apply to new depreciable assets and the cost of improvements to existing eligible assets. For small and medium sized businesses (with aggregated annual turnover of less than \$50 million), full expensing will also apply to second-hand assets.

### The benefits for your business:

- Immediate deductions for capital investments in assets to reduce the taxable income of the business in the year the asset is purchased
- Deductions allowed on an asset by asset basis
- Deductions for depreciation pool balances (i.e. immediate tax deduction for costs that would previously have been claimed over several years)
- If increased deductions for capital investments contribute to a company's tax loss position, electing to apply the loss carry back provisions may allow the company to obtain a tax refund.

The budget papers do not specify details of which assets will be 'eligible' assets for the purposes of this measure, but we expect that the definition will be broad.

The 'immediate expensing' applies to assets acquired after October 6, 2020. However, there is also an extension for businesses that acquired assets before budget night but had not yet used or installed them.

Businesses that hold assets eligible for the enhanced \$150,000 instant asset write-off will have an extra six months, until June 30, 2021, to first use or install those assets.

Small businesses (with aggregated annual turnover of less than \$10 million) can deduct the balance of their simplified depreciation pool at the end of the income year while full expensing applies.

The provisions which prevent small businesses from re-entering the simplified depreciation regime for five years if they opt-out will continue to be suspended.

## Budget 2020 Single National Business Registry

The Federal Government will allocate \$420 million in this year's Budget to accelerate its plans to create a **single national business registry**, in a move designed to cut red tape for small business operators.

The registry will be operated by the Australian Taxation Office and will bring together the Australian Business Register and 31 other registers currently administered by the Australian Securities and Investments Commission.

More Budget details ...



## "Loss Carry-Back"

The Government will allow eligible companies to carry back tax losses from the 2020, 2021 or 2022 financial years to offset previously taxed profits in 2019 or earlier income years.

Corporate tax entities with an aggregated turnover of less than \$5 billion can apply tax losses against taxed profits in a previous year, generating a refundable tax offset in the year in which the loss is made. The tax refund will be available on election by eligible businesses when they lodge their 2021 and 2022 income tax returns.

Currently, companies are required to carry forward tax losses to offset them against profits in future years. Companies that do not elect to carry-back losses under this measure can still carry forward losses as normal.

The tax refund will be limited by requiring that the amount carried back is not more than the earlier taxed profits and that the carry back does not generate a franking account deficit.

In other words, the tax refund generated by the loss carry back provisions cannot exceed the company's franking account balance.

This measure is designed to provide cash flow support to previously profitable companies that have fallen into a tax loss position as a result of the weaker economic conditions.

The loss carry-back provisions will also support the incentive for companies to invest under the investment incentive measures which will temporarily allow full expensing of capital acquisitions.

If increased deductions for capital investments contribute to a company's tax loss position, electing to apply the loss carry-back provisions may allow the company to obtain a tax refund.

## Increasing The Small Business Entity Turnover Threshold

The Government will expand access to a range of small business tax concessions by increasing the small business entity (SBE) turnover threshold.

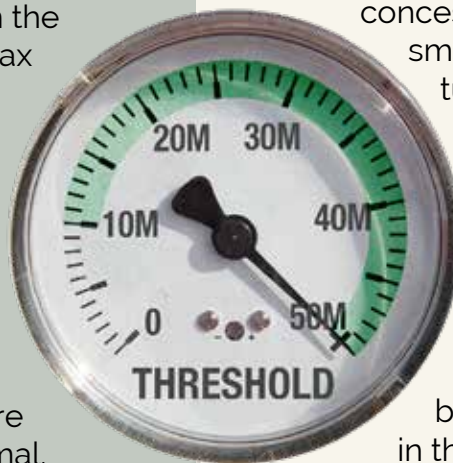
Businesses with an aggregated annual turnover of \$10 million or more, but less than \$50 million will, for the first time, have access to up to ten more small business tax concessions in three phases:

**From 1 July 2020**, eligible businesses will be able to immediately deduct certain start-up expenses and certain prepaid expenditure.

**From 1 April 2021**, eligible businesses will be exempt from the 47% fringe benefits tax on car parking and multiple portable electronic devices.

**From 1 July 2021**, eligible businesses will be able to access the simplified trading stock rules, remit pay as you go (PAYG) installments based on GDP adjusted notional tax, and settle excise duty and excise-equivalent customs duty monthly on eligible goods under the small business entity concession.

Eligible businesses will also have a two-year amendment period apply to income tax assessments for income years starting from 1 July 2021, excluding entities that have significant international tax dealings or particularly complex affairs.





# Budget 2020 - JobMaker Hiring Credit

The Government is introducing an incentive to encourage organisations to take on additional employees. This new incentive, the JobMaker Hiring Credit, will be available to eligible employers over 12 months from 7 October 2020 to 6 October 2021 for each additional new job they create for an eligible employee.

**Employer Eligibility** - Eligible employers who can demonstrate that the new employee will increase overall employee headcount and payroll will receive:

- \$200 per week if they hire an eligible employee aged 16 to 29 years or
- \$100 per week if they hire an eligible employee aged 30 to 35 years.

The JobMaker Hiring Credit will be available for up to 12 months from the date of employment of the eligible employee with a maximum amount of \$10,400 per additional new position created.

Most employers would be eligible, however, employers must have an Australian Business Number (ABN), be up to date with their tax lodgement obligations, be registered for Pay As You Go (PAYG) withholding, report through Single Touch Payroll (STP) and cannot be claiming the JobKeeper Payment.

**Employee Eligibility** - To attract the JobMaker Hiring Credit, the employee must be in an additional job created from 7 October 2020.

To demonstrate that the job is additional, specific criteria must be met. There must be an increase in:

- the business total employee headcount (minimum of one additional employee) from the reference date of 30 September 2020; and
- the payroll of the business for the reporting period, as compared to the three months to 30 September 2020.

The amount of the hiring credit claim cannot exceed the amount of the increase in payroll for the reporting period. To be eligible, the employee will need to have worked for a minimum of 20 hours per week, averaged over a quarter, and received the JobSeeker Payment, Youth Allowance (other) or Parenting Payment for at least one month out of the three months prior to when they are hired.

## How to claim the JobMaker Hiring Credit

The JobMaker Hiring Credit will be claimed quarterly in arrears by the employer from the Australian Taxation Office (ATO) from 1 February 2021. Employers will need to report quarterly that they meet the eligibility criteria.



**It's clear, Pandemics are a health crisis that also cause economic disaster. It would appear as though we are only seeing the tip of the iceberg with hundreds of thousands of businesses going into hibernation, collapsing and permanently closing.**

It has been described as a 'perfect storm' and we are sailing in uncharted waters. The media is flooding us with COVID-19 information and governments are using vocabulary that is normally reserved for war time.

# Starting a New Business?

## Is it the right time?

They are committing record amounts of money to assist business owners and employees but sadly, this recession spells financial doom for some businesses and industries including travel, events and entertainment all of which are under threat.

Given these facts and all the uncertainty, is it the right time to start a business?

Historically, business start-ups tend to surge when there are high levels of unemployment and middle management lose their jobs.

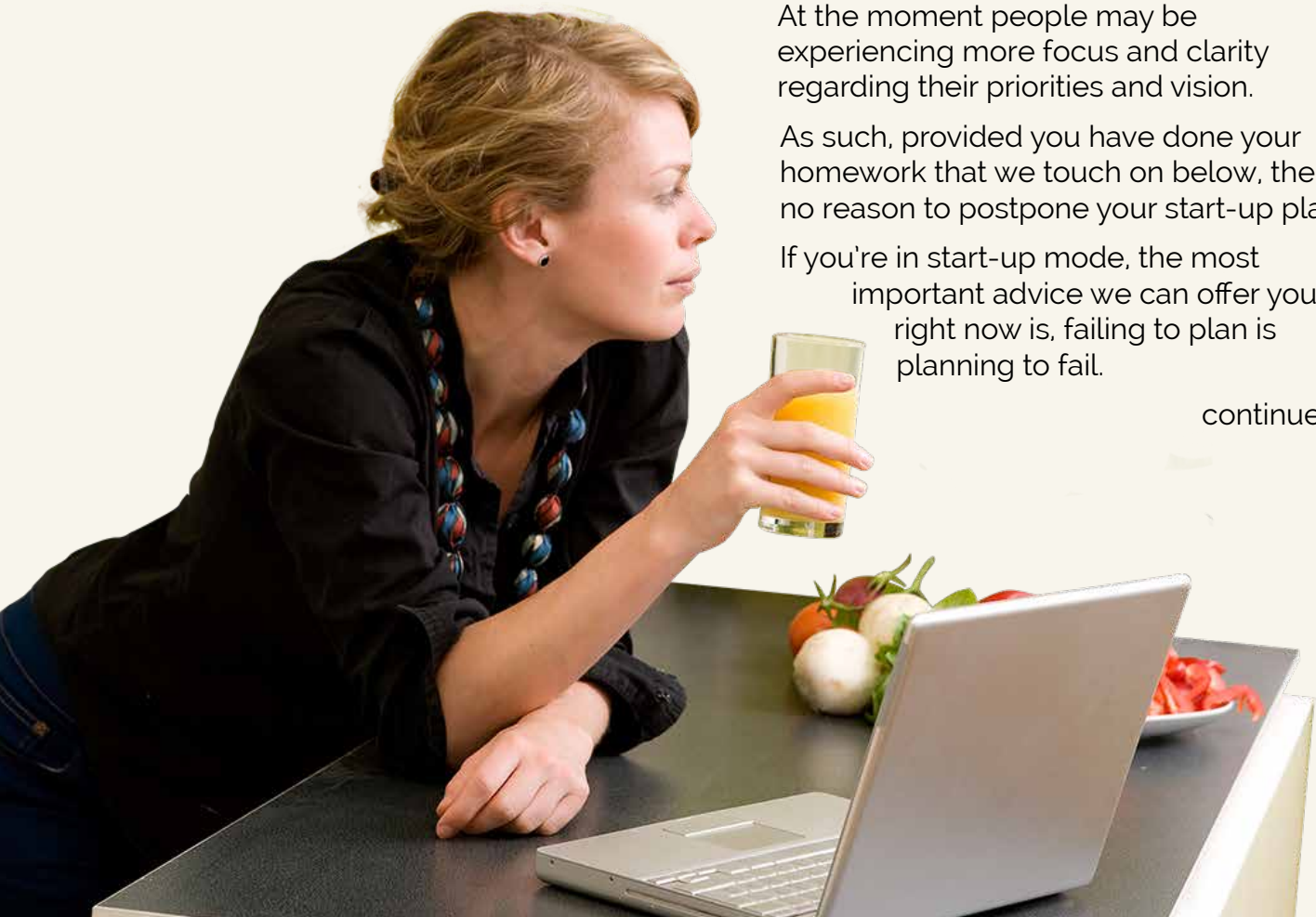
Research also suggests that close to 10% of the population are always planning to start a business. Our current circumstances are extreme but there's never a perfect time to launch a business.

At the moment people may be experiencing more focus and clarity regarding their priorities and vision.

As such, provided you have done your homework that we touch on below, there is no reason to postpone your start-up plans.

If you're in start-up mode, the most important advice we can offer you right now is, failing to plan is planning to fail.

continued . . .





# Starting a New Business?

This serves as both advice and a warning because while it's exciting when you have that light bulb moment and idea for a new business, starting (or buying) a business necessitates research, risk, passion and planning.

While it's hard not to get carried away with the excitement, starting a business is a process that can take months not days.

There are very few shortcuts and no amount of enthusiasm, money, hard work or talent can guarantee business success.

Here are some pointers you need to consider whenever you are thinking of starting a new business. In these uncertain times it is more important than ever to take into account these factors.

## Before you pull the Trigger

If you're thinking of quitting your job in favour of starting a business make sure you have done your homework.

Make no mistake, the life of a new business owner can be a real roller-coaster ride. The moment you transition from being an employee to being self-employed, your income is no longer guaranteed and you lose benefits like employer funded superannuation and four weeks annual holidays with pay.

At the same time, your outgoings like your mortgage and car repayments remain unchanged. Running a business can be a financial pressure cooker and business ownership is not for everyone.

There's no definitive DNA profile for what makes a successful entrepreneur, however, there are some key characteristics that entrepreneurs share.

Do you have the right personality, traits and skills to turn your idea into a viable business? As a guide, you need to be passionate about your products or services and ideally you should have industry knowledge and experience. Remember, you are taking a financial risk and it's not for the faint hearted or novice.

You need to be disciplined and decisive. If you're a perfectionist think carefully about

going down this path because you might let perfection get in the way of progress. Very few entrepreneurs get their business model right the first time so you need to be patient and listen to feedback from customers and even family members.

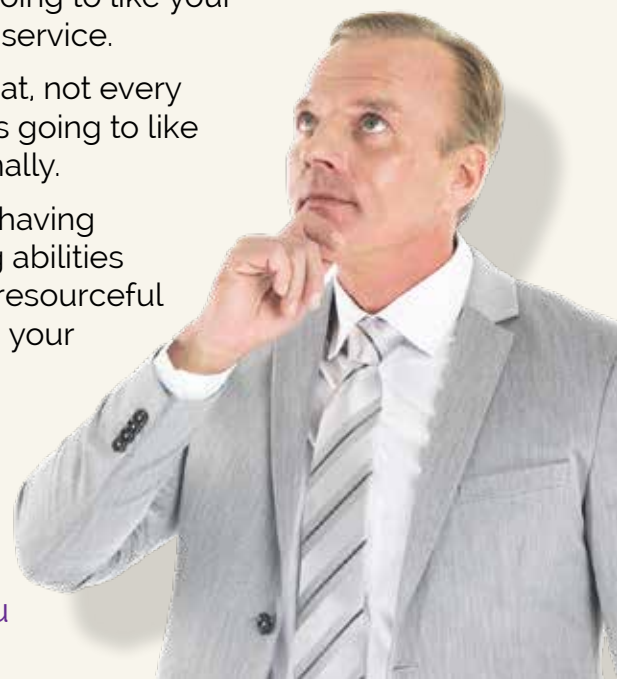
At some point you might find you'll need to pivot and adjust your offering to changes in the market or consumer behaviour.

The pandemic forced many businesses to shift their focus to online sales with a click and collect option while others had to change to home delivery or provide take away only service.

You'll need a degree of resilience because you'll make mistakes and rejection is inevitable. Not every customer, client or patient is going to like your product or service.

Not only that, not every customer is going to like you personally.

Of course, having networking abilities and being resourceful will work in your favour.



# Starting a New Business?

## Why?

It's an important question because running a business is challenging and there are risks and financially, there are no guarantees.

You'll work harder and probably longer than any role you've had as an employee and you may experience stress – because it's your money that is on the line.

The potential for financial rewards can motivate entrepreneurs as can the enormous satisfaction and sense of achievement that can be derived from turning your idea into a profitable business.

You get to control your own destiny and enjoy the freedom; plus you'll probably aspire to earn more money than you would as an employee.

Having said that, you need to be crystal clear about why you want to start your own business.

It's going to be hard and be prepared to weather the storm of long hours, slow early sales and limited cash flow.

You're going to have to upskill because all of a sudden you could be the receptionist, production manager, bookkeeper, marketing manager and debt collector in the business.

You could be a great technician but suddenly you're the 'front man' of the business that requires sales skills and a whole range of different abilities.

It's probably going to be different to anything else you've done before so be prepared to learn and adapt. You'll need to be agile and think on your feet.

## Who?

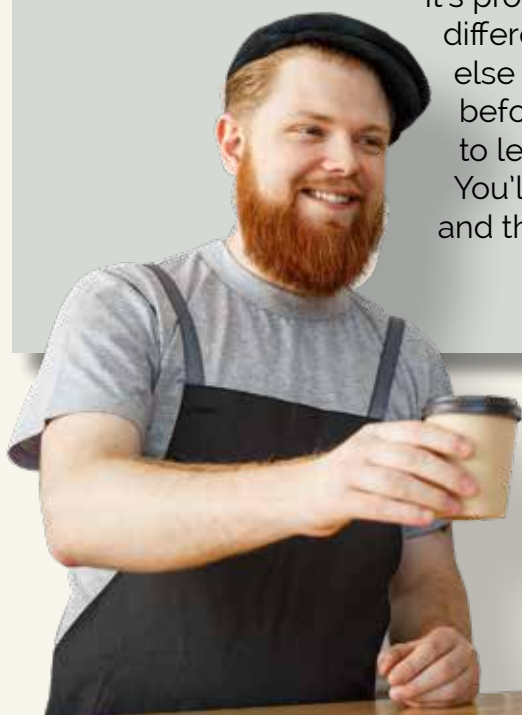
Another important question is who will buy your goods and services?

Who is your ideal type of customer and what are your niche markets?

Where do they hangout and how do you tap into their communication channels?

The more specific you can be about your customers and your niche markets, the easier it is to tailor your brand and marketing.

Identifying your target market can also help you make decisions about your location, pricing, social media channels and your marketing.



# Starting a New Business?

## Know Your Competitors

Research your competitors and understand why they have a share of the market. This could involve visiting their premises, 'stalking' them on social media or dissecting their website with a fine-tooth comb.

Understand their point of difference. Identify their strengths and weaknesses which should help you identify gaps in the market and opportunities.

What systems and technology are they using? Who are they targeting and how are they marketing to them? Gather intelligence about their products, services, prices and marketing.

With that knowledge, it's time to nail your unique selling point and competitive advantage. What can you do better than your competitors? Figure out how your business offering is going to be different (and ideally better) to your competitors. Starting a business without a deep understanding of your competitors is a huge mistake.

Know their pricing, marketing, strengths and weaknesses.



## Know the Laws in Your Industry

Every industry has its own rules, regulations and idiosyncrasies. You need to understand the laws and comply with them.

Do your research and prepare a checklist of essential licences, registrations and council permits.

Don't flout council or government rules because your business could come to a grinding halt.

Remember, these regulations can vary from council to council and state to state so do your homework on things like employment law, occupational health and safety plus your commercial lease.

Consult with us about taxation issues including business registrations, superannuation for staff and Single Touch payroll.



# Starting a New Business?

## Know Your Numbers

You need to quantify your financial expectations. If the numbers don't stack up, the business may not be viable and you could be on the verge of burning yourself out and burning a lot of cash in the process.

If the projected profits aren't enough to justify the risk and hard work, it could be time to revise your pricing or offering or review your marketing.

At Clarity Taxation, we can help you prepare a cash flow budget and profit & loss statement to help you prepare your projections for your first year of trading.

We can also do some financial modeling to prepare some 'what if' calculations based on different price points.

Using industry benchmarks, we can help you get an understanding of the performance of your competitors. For a start-up business these can be invaluable because you have no financial track record and there is a lot of estimates and guess work when preparing a budget.

When you're in start-up mode it's hectic. It's easy to get caught up in product development or bury your head in researching your customer's habits and your competitor's performance.

Too often we see start-ups overestimate their revenue and underestimate their expenses.

That often translates to a shortage of cash in the early stages which can be catastrophic.

Your budget will also be a key document should you need to secure finance from a bank or third party.

## Key Components of a Cash Flow Forecast

Whatever period you decide to prepare a cash flow forecast for, you need to, at least, consider these main components.

### Likely Sales

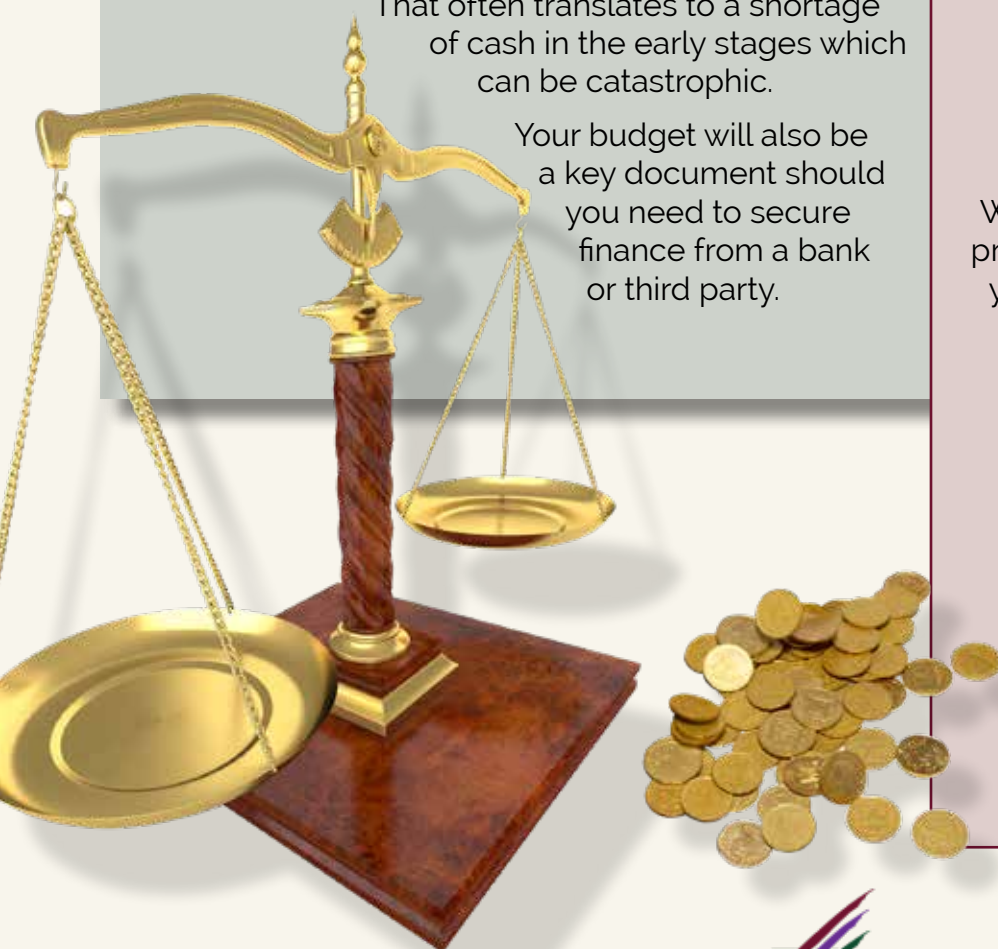
How much revenue will you generate?

### Payment Timings

When will you get paid?

### Projected Costs

What costs will you incur?



# Starting a New Business?

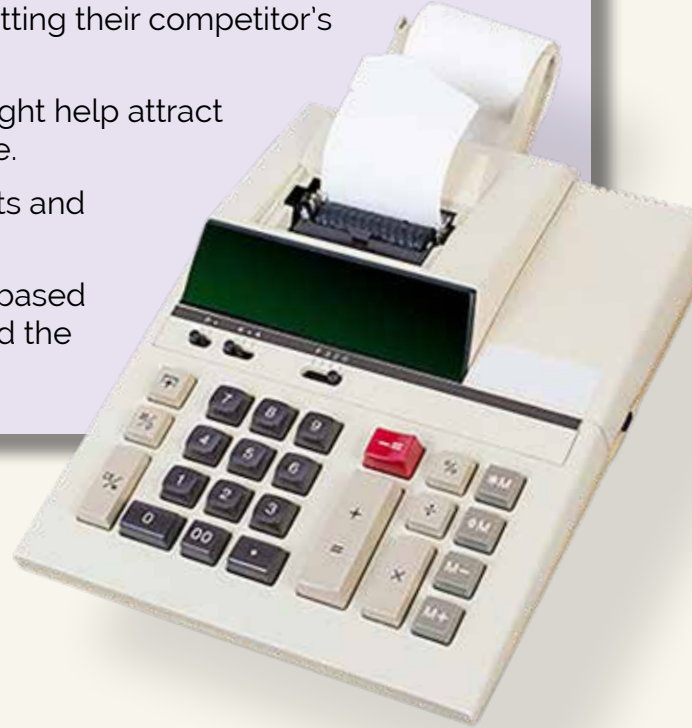
## The Price is Right

Without doubt, one of the biggest mistakes that new business owners make is they try to get a toe hold in the market by undercutting their competitor's prices.

Being the cheapest is a risky strategy and while it might help attract some new customers, you run the risk of going broke.

Do your numbers and make sure you know your costs and break-even point.

Again, we can help you do some financial modeling based on different price points that will help you understand the impact of different prices on your profitability.



## Summary

The late Steve Jobs, Co-Founder, Chairman and CEO of Apple said, **"Your work is going to fill a large part of your life and the only way to be truly satisfied is to do what you believe is great work. And the only way to do great work is to love what you do."**

He inspired a lot of entrepreneurs but following your passion doesn't necessarily guarantee a lifetime of profits.

Starting a business is a process and there are numerous issues to consider including your choice of business structure and accounting software. You need to make decisions on your branding and marketing plus consider a range of business registrations.

You'll also need to think about your equipment requirements, finance and insurances.

Of course, if you are looking to employ staff from the outset there are human resource issues including employment agreements, payroll software, workers compensation insurance plus superannuation guarantee obligations.

It can be a maze of issues that a business start-up needs to navigate through and as accountants we can clear the haze and provide advice on key issues including the preparation of a business plan, revenue forecasts, a cash flow budget, pricing and insurances.

We can also do some financial modeling to project your financial results based on different prices and costs.

Finally, if you're looking to buy or sell a business, please don't hesitate to contact us.



## ...Don't Forget

We are always just a phone call or SMS away if you need help with business start ups or any financial advice on running your new business.



# Tax Return Checklist 2021

## Individual Tax Returns

### Income

- ☐ Gross salary, wages, allowances, benefits, earnings, tips, Directors Fees and Insurance for lost wages.
- ☐ Income from business activities.
- ☐ PAYG Payment Summaries or Income Statements from MyGov
- ☐ Details of any non-cash benefits received including discount(s) on employee shares or rights.
- ☐ Lump sum and termination payments. All documentation should be provided including an ETP Payment Summary from the employer or fund.
- ☐ Government Social Security payments, including pensions, unemployment and sickness benefits.
- ☐ Details of any CGT asset sales (e.g. shares, business and real estate). Please include dates of, and costs associated with, acquisition and disposal (You can save tax if you qualify for the variety of CGT concessions).
- ☐ Annuities, including allocated pensions or superannuation income streams.
- ☐ Income from trusts and partnerships. Statements of

distribution should be provided where appropriate.

- ☐ Rental income.
- ☐ Foreign source (employment and pension) income and details of any foreign tax credits, assets or property.
- ☐ Interest and dividends received from any source including life insurance or friendly society bonuses and any tax deducted. Include details of franked dividends (i.e. imputation credits).

### Deductions

- ☐ Investment and property expenses (carefully detail interest and repair claims), supply statements.
- ☐ Work-related subscriptions or memberships (not including sporting or social clubs).
- ☐ Employment related expenditure such as self-education, protective clothing, tools, union fees, uniform and laundry expenses.
- ☐ Motor vehicle expenses, car finance lease statements (include petrol, repairs, parking and maintain a Motor Vehicle Log Book where necessary).
- ☐ Donations of \$2 and over.

- ☐ Income Protection Insurance Premiums.
- ☐ For Self-Employed persons, details of any Superannuation Contributions made.
- ☐ Home office expenses where employment requires use of your computer, phone or other device.
- ☐ Tax Agent Fees and other accounting/tax audit fees.
- ☐ Special deductions (Australian films, investment shelters and agribusiness-type schemes).
- ☐ Unrecouped prior year losses.

### New Clients

- ☐ Last year's Notice of Assessment and Tax Return (if available)

### Rebates

- ☐ Private health insurance annual statement (request from Health Fund)
- ☐ Details of superannuation contributions where no tax deduction can be claimed.
- ☐ Any changes in dependants, children's details, DOB and any Centrelink benefits applicable (income of spouse should also be provided).
- ☐ Details of any income received in a lump sum which was accrued in earlier income years (e.g. assessable pensions).
- ☐ Details of any remote work performed for 183 days or more.
- ☐ HECS-HELP Debt details.

### 8 Most Common Errors in Income Tax Returns

1. Omitting Interest Income
2. Incorrect or Omitted Dividends Imputation Credits
3. Capital Gains/Losses are Incorrect or Omitted
4. Understating Income
5. Home Office Expenses
6. Depreciation on Rental Property Fixtures and Fittings
7. Depreciation on Income Producing Buildings
8. Borrowing Costs associated with Negative Gearing





# Tax Return Checklist 2021

## Companies, Partnerships, Trusts and Other

### Income

- ☐ Trading Income.
- ☐ Other Income (e.g. Rent, Interest, Royalties).
- ☐ Stock on Hand at June 30, 2020 (and basis of valuation) – note any obsolete stock.
- ☐ Work-in-Progress at June 30, 2020
- ☐ Primary Producer subsidies (if assessable).
- ☐ Details of CGT assets (e.g. shares and real estate) sold, including dates of, and costs associated with acquisition and disposal.
- ☐ Dividends, including details of franking credits.
- ☐ Income from foreign sources including details of any foreign taxes paid.

### Deductions

- ☐ Repairs and maintenance.
- ☐ Salaries, including fringe benefits.
- ☐ Fringe benefits tax paid.
- ☐ Rates, land taxes and insurance premiums.
- ☐ Advertising expenses.
- ☐ Interest on borrowed monies.
- ☐ Deductions relating to foreign-source income.
- ☐ Prepaid expenses (subject to transitional rules).
- ☐ Retirement payments and golden handshakes.
- ☐ Bad debts actually written off during the year.

- ☐ Donations of \$2 and over depending on the recipient.
- ☐ Commissions.
- ☐ Legal expenses.
- ☐ Lease or Chattel Mortgage payments on motor vehicles and equipment.
- ☐ Losses of previous years (or intra-group transfers).
- ☐ Superannuation contributions.
- ☐ Subscriptions.
- ☐ Car expenses (remember to include petrol, repairs and parking and maintain a log book where necessary).
- ☐ Tax agent's fees and other accounting and tax audit fees.
- ☐ Royalties paid.
- ☐ Details of the destination and purpose of any interstate or overseas trip. Expenses must be fully documented where travel involves at least one night away from home. Travel diaries should be included where travel exceeds five nights.
- ☐ Research and development expenditure.
- ☐ Bank fees (where the credit or deposit represents assessable income).

### Liabilities

- ☐ New loans taken out during the year and their purpose, including any new lease or chattel mortgage agreements on vehicles, equipment or machinery.
- ☐ Statements from the lending authority detailing the opening

and closing balances of existing loans during the financial year.

- ☐ Provisions for long service and annual leave.
- ☐ Creditors at June 30, 2020.
- ☐ Details of loan accounts to directors, shareholders, beneficiaries and partners.
- ☐ Accrued expenses (e.g. audit fees, interest payments).
- ☐ Commercial debts forgiven.

### Assets

Details of depreciable assets acquired and/or disposed of during this income year, including:

- type of asset;
- date of acquisition;
- consideration received/paid.

- ☐ Lease commitments.
- ☐ Debtors at June 30, 2020.
- ☐ Commercial debts forgiven.

### Additional Information

- ☐ Franking account details/movements.
- ☐ Overseas transactions, exchange gains/losses.
- ☐ Private companies – remuneration or loans to directors, shareholders and their relatives.
- ☐ Changes to the capital of the company.
- ☐ Whether family trust elections have been made in relation to trusts.



## Contacts

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## Need Human Resources or Employee Relations Advice?

Our client can help. **Iconoclast People** are a local innovative and pragmatic human resources consulting practice, partnering with small to medium sized businesses.

They consider not just legal repercussions, but the financial and commercial outcomes, providing you with practical advice as opposed to regurgitation of the law.

"We bring new thinking to old patterns, empowering businesses to achieve improved performance and results through their people." – Chanelle and Taryn, Co-Directors.



Call now for your FREE HR Essentials offer for Clarity Taxation customers valid until January 2021.

Or to find out more visit

**[www.iconoclastpeople.com.au](http://www.iconoclastpeople.com.au)**

or call on **03 8845 8344**

## Need help with GST or BAS?

GST accounting and BAS reporting are the bane of most business owners lives!  
At Clarity Taxation, we take the stress out of the whole process.

Clarity are able to help you with advice on GST registration – the advantages and disadvantages of being GST registered.

**What is the difference between Cash Accounting or Accrual Accounting?**

**What expenses can be claimed?**

**What if I am late with my BAS?**

We get asked these questions frequently – we can help!

We have a BAS Preparation Service and can lodge your BAS for you.

If you have any questions about GST or BAS, then Clarity can help!

👉❤️😄 **Telephone: 9726 4650** 👉❤️😄

*Letting you get on with what you do best ...*

This newsletter does not constitute advice. Clients should not act solely on the basis of the material contained in this newsletter. Items herein are general comments only and do not constitute or convey advice per se. Also changes in legislation may occur quickly and we therefore recommend that our formal advice be sought before acting in any of these areas. This newsletter is issued as a helpful guide to clients and for their private information. It should be regarded as confidential and not be made available to any person without our prior approval

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