



DUNCAN DOVICO
Accountants & Advisors

The BOTTOM Line

EDITION 2
2012



Its tax time - we can make your life less taxing

HAPPY NEW FINANCIAL YEAR!

It's hard to believe the 2012 financial year is now locked away and we are into the 2013 financial year.

Our team at DD continues to assist and guide all clients on a wide variety of tax, superannuation and business matters, and those clients who we prepare individual tax returns for, our ACCESS tax division is ready to help to lodge your return from 1st July 2012.

Following the recent Budget release, where a series of changes relating to superannuation and tax were announced, the start of a new financial year brings with it an opportunity to consult with us to ensure that your tax, business and superannuation needs are in place for another 12 months.

We trust that you enjoy reading The Bottom Line, and look forward to assisting you with your ongoing business, taxation and superannuation requirements...regards George, Brad, Michael, and the team at DD.

Access
Tax & Accounting
Solutions

2012 TAX TIME

It's tax time again, and the tax team here at DD - ACCESS Tax & Accounting Solutions - is ready to assist you with your tax return lodgement requirements.

We can arrange convenient appointments at any of our three locations – Heidelberg, Diamond Creek or by appointment in the CBD. Our pricing structure remains unchanged from 2011 and our team members remain the same.

As in previous years, we encourage face-to-face appointments as our clients always benefit from this personal interaction where they can discuss a number of tax and financial related matters on the spot. If it is not possible to meet up, we continue to offer convenient alternatives in the form of telephone appointments, or you can send your information into us either by email, fax or mail.

The
**BELOW
BOTTOM
Line**

Below the Bottom Line videos are a convenient way to stay informed and updated on a variety of financial related topics and newsworthy issues, produced by Duncan Dovico - Accountants & Advisors.

Visit ddvic.com.au for latest vision



The **BOTTOM** Line

“YOUR BUSINESS – IS IT A RETIREMENT FORTUNE OR A RETIREMENT MISSED FORTUNE?”

By Brad Purvis B Bus (Acc) CPA, Partner Duncan Dovicov Accountants & Advisors

Many owners of small and medium sized businesses often remark to us that a large portion of their retirement and superannuation wealth will be derived from the sale of their business, when they decide to sell it, retire or move on.

When we stop and ask them what they think the business is worth and then ask them how do they intend to go about the process of realising this value, we are often met with the reply – “I don’t really know its value or how I will go about selling it”....

So does your business represent a retirement fortune or will it simply become a retirement missed fortune?

Think about it - it’s your business, you work in it and on it for many years. You manage it through the various ups and the downs and you dream of one day selling it and retiring to the beach in Bahamas...you think it’s really worth something, but you don’t really know what that amount is.....you think you will sell it one day but you don’t really know how or to whomthis is a typical scenario and one we regularly encounter with our clients.



As a consequence, we regularly engage with our clients in this position and work with them to develop a divestment and exit strategy.

This can include developing the business valuation and a sale strategy, and then assist with the process of implementing the exit plan. This may include a trade sale into the open market place, a management buyout to a team of existing staff members, or perhaps an intergenerational wealth transfer to a family member associated with the owners.

We sometimes see clients whose expectations around their business value is a long way removed from a fair and willing buyers expectations, sometime resulting in disappointment and perhaps requiring a change of plan.

We have developed a clear process that should be followed when planning a sale or divestment, involving a degree of analysis and the application of some mathematical science before the real value can be ascertained, and whether the process of one day realising that value can be achieved.

For more information about buying and selling businesses visit our website and tune into our Below the Bottom Line production entitled – “What is your business really worth” or call George, Amanda, Michael or myself on 1300 883 122.

WHY DOES EVERYONE KEEP TELLING ME TO PUT MONEY INTO SUPER?

You read it in the paper, you talk about it with your family and friends, and your advisor places it on the agenda every time you meet with him or her. But why is everyone telling you to put money in super? What are the benefits of putting your savings in a superannuation fund instead of investing directly in the share market, real property or cash?

The benefits of having some or all of your savings in superannuation all arise from the generous tax concessions that superannuation investments benefit from:

- Some superannuation contributions can be used to reduce your own taxable income (although such contributions are taxed in the fund at 15 percent). This could save you up to 31.5 cents for every dollar you contribute to super in this way (if your taxable income exceeds \$180,000)
- Earnings on superannuation investments are taxed at only 15 percent. Earnings on investments you make outside of superannuation are taxed at your marginal tax rate (up to 46.5 percent if your taxable income exceeds \$180,000)
- When you reach 60 years of age, you can withdraw your savings from superannuation tax-free
- If you choose to withdraw your savings from super after your 60th birthday in the form of a pension, earnings derived from investments which support that pension are not subject to tax at all. Again this should be compared with earnings on investments you make outside of superannuation, which are taxed at your marginal tax rate.

So now you can see why superannuation is such a popular topic of conversation. But there are limits to the amount you can contribute to superannuation, and restrictions on how to go about putting money in and taking money out (most of them based on your age and work status). So your advisor is the best person to talk to, to help you take advantage of the significant benefits which superannuation may offer.



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Providers of specialist tax information and training

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DO YOU USE YOUR CAR FOR WORK OR BUSINESS?

Who should read this article?

If you own or lease a car, and drive it for work or business purposes, you may be entitled to a deduction for car expenses. There are special rules for working out how much you might be entitled to deduct, and the documentation you might have to keep to support that deduction.

What is at stake?

If you own or lease a car, and drive it for work or business purposes (this generally does NOT include driving to and from work every day) you may be able to deduct all or part of the following expenses:

- Fuel and oil
- Lease payments
- Insurance
- Servicing and repairs
- Registration
- Depreciation of your vehicle

There are a number of different ways to calculate the amount of your deduction (which your accountant can help you with). For example, you can claim a certain number of cents per work or business kilometre travelled (up to a maximum of 5,000 kms per year) without having to keep receipts.

However, you can choose to keep a 12 week log book and collect all your receipts (which you might do if you travel more than 5,000 kms in the year for example) and claim a percentage of your actual expenses. There are other methods, and choosing the right one is usually a trade-off between simplifying your affairs and maximising your deduction. Your accountant can help you make this choice.



If your salary package your car the rules are different again – you will not be entitled to a deduction for car expenses you incur but the amount of FBT your employer has to pay, and therefore the amount of salary you have to sacrifice to get the car, may be reduced.

What should you do?

Your accountant will be able to do most of the sums for you to work out how much you can deduct for car expenses. But you should talk to them about what you need to do (if anything) in terms of keeping records of your work or business kilometres and/or collecting documentation to support your claim.

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OUT & ABOUT WITH DD

NEBF

NORTH EASTERN BUSINESS FORUM

Duncan Dovico is a foundation sponsor of the NEBF - a forum where like minded business owners can meet in an informal networking environment to make new contacts, discuss new business ideas and create new sales opportunities.

Held at the Watsonia RSL Club in March 2012, the forum attracted over 85 attendees who heard guest speaker Heath Black talk about his sporting and personal life and overcoming mental health issues.

NEBF patron and MC, Simon Madden, then led an eye opening and frank Q and A session with Heath Black. All of those who attended said it was memorable and enjoyable night. For more information about the NEBF including future events contact Brad, George or Michael.



* Amanda Castricum, Heath Black & Brad Purvis at the recent business forum.



AT THE MILES AND CO PROPERTY SEMINAR:

In March 2012 Brad Purvis and Glenn Hampton from Duncan Dovico were key note speakers at the Miles and Co Real Estate Property Seminar in Ivanhoe. Over 80 guests attended to hear Brad and Glenn's update on the latest issues impacting Self Managed Super Funds and property including an update on the new borrowing rules for Self Managed Super.

For More Information about super, property and related strategies contact Brad, George, Glenn or Michael on 1300 883 122

OUT & ABOUT WITH DD

GREAT AUSTRALIAN STORY!

On Wednesday July 11th 2012 DD will host its next Great Australian Story evening at the Kew Golf Club. These relaxed evenings showcase inspiring stories of start up and early stage Australian business ventures. The July 11th story introduces the Hidden Garden Sustainable farm story. Hear from founders Mark and Vanessa Bennett as they introduce their amazing story which is set to change the lives of everyone on Australia's remote Christmas Island.



For more details visit our website... Numbers are limited so best to book early. To do so call Rhonda Connop on 03 8458 0024

ELTHAM COLLEGE 2012 CRICKET TOUR OF ENGLAND AND IRELAND

Duncan Dovico is delighted to be the major sponsor of the Eltham College 2012 Senior Cricket Tour. Fifteen young cricketers from years 10, 11 and 12 set off to the UK on June 20th 2012 to compete against a number of English Colleges over a three week period.

DD's sponsorship will assist the boys with some of their tour gear and with the development of their cricket.



Eltham College 2012 Senior Cricket Team at Malahide CC in Ireland before their first tour game

Good luck lads.....

AMANDA'S RELAY FOR LIFE

Amanda Castricum, Senior Manager at DD recently participated in the Cancer Council Relay for Life. The relay provides participants with an appreciation of how cancer effects each and every person, including carers, family members and the individual themselves.

Amanda walked with her family (known as the "Capsicum Team") for 24 hours, with a member of her family holding the baton at each lap of the relay.



WANAKA, NEW ZEALAND - A SOUTH ISLAND JEWEL

Many visitors to the South Island of Aotearoa (New Zealand) sample the adrenalin-pumping activities on offer in Queenstown, but miss the laid-back ambience of Wanaka, only an hour away over the Crown Range.

Nestled on the shores of Lake Wanaka, the township is the host to the ski mountains of Cardrona and Treble Cone, both only 20 minutes drive away. The Mt Aspiring National Park can be accessed from Wanaka and has on offer some day walks that will take you to the glaciers and beyond.

While the town is busy in the winter, it is really the summer season that is the most popular, with the lake in full swing. Boating, fishing, water-skiing and kayaking are just some of the activities to be enjoyed. The long daylight hours mean that dusk is often the best time of the day for chilling out and enjoying the sunset over the lake and mountains.

Wanaka plays host bi-annually to the Warbirds Over Wanaka air show. This event attracts tens of thousands of people and is held over the Easter holidays. The show has an international reputation and attracts visitors from all over the world. The mountains and the valleys come alive to the sound of a variety of aircraft - from the "Red Baron" to the super jets of the Australian Airforce.

Wanaka is also close to some outstanding pinot noir producing vineyards. The Bannockburn and Gibbston Valley areas are only a 30 minute drive away. The Otago region is well-known and highly regarded for pinot noir and many of the vineyards have areas to relax and enjoy a meal. Peregrine, Mt Difficulty and Two Paddocks are just a few of the wineries in the Otago area.

For those who like their adventure on two wheels, a little further afield from Wanaka is the Central Otago Rail Trail provides a scenic cycle route that starts in Clyde and finishes at Pukerangi near Dunedin. It covers 150km in total and can be joined at anytime along the way. There is accommodation at towns along the trail, vineyards to enjoy and quaint towns with gold mining histories. And the trail isn't just for cyclists - walkers and horse riders can enjoy the trail too.

So, while Queenstown has a lot to offer don't miss the opportunity to visit Wanaka and the surrounding Central Otago countryside. It will not disappoint. For more information visit - www.lakewanaka.co.nz, www.centralotagonz.com, www.otagorailtrail.co.nz

By our well travelled writer Annona Pearse



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