

Are you Aware that your Superannuation Fund can Pay for your Life and Total & Permanent Disability Insurance (TPD)?

What does this mean for you?

Insurance can sometimes be expensive to own. So by having your superfund own your policy, you are not paying for it from your disposable income.

With the cost of living, raising children and paying off the mortgage, it is sometimes difficult to find the money to adequately insure your family against what could be a major tragedy.

How would your spouse cope financially with the mortgage and raising the children if you were to pass away or become incapacitated?

This is a serious issue and needs to be addressed before it is too late.

At AKW Financial Services, we can discuss the different strategies to put this into place and tax effective ways that can help fund the premiums.

We are Authorised Representatives with over 10 different insurance companies, so we have the ability to find you the best policy to meet your needs.

Please call to arrange a no obligation discussion regarding the different insurance options to suit your personal situation.



Peter Hastie



Bonus Capital Allowance Tax Deduction Extended to 31 Dec. 2009

One of the triggers for the improved performance in the Australian economy over May and June has been put down to the government's announcement to provide a one off tax deduction to small business for the purchase of capital items.

The car industry has experienced an increase in new sales. Many manufacturers are reporting an increase in sales and imports have spiked in the June quarter.

For those clients with a small business you may be pleased to know that the BONUS was extended to 31st December and as such you can still take advantage of this one off tax break.



How Does it Work

Tony runs a concreting business with under \$2 million turnover. He wishes to purchase a new truck and concreter for \$100,000. He wishes to finance the items. If he was to lease the items the BONUS would not apply as the finance company holds the beneficial ownership. He applies for finance under CHP and as such receives a 50% tax deduction on the \$100,000. (\$50,000 tax deduction). Tony also receives a tax deduction on the Interest over the term of the loan and can claim depreciation of the asset over the period he maintains the asset.

If you are considering purchasing an asset for your business and would like to discuss the tax deductibility, or require assistance in setting up a loan in the correct manner we are able to assist.



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AKW's New Partner

Meet the firm's 6th partner.

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Newsletter

September, 2009

Issue 1

Cash Strapped Small Businesses – Help from the ATO

The Australian Taxation Office (ATO) has announced new measures to help small businesses that are struggling to manage their tax debts in the current economic climate.

12 month GIC-free payment arrangements

Businesses with an annual turnover of less than \$2m with an activity statement debt can apply to the ATO for a GIC-free payment arrangement from now until June 30 2010.(GIC is the General Interest Charge, or interest payable on the debt, currently 10.13%).

They will have the GIC remitted for a maximum period of 12 months, provided the payment arrangement is maintained.

Deferred activity statement payment due dates

Small businesses can also request a deferral of payment on their next activity statement.

Businesses with short term cash flow problems that pay quarterly and annually may be granted a deferral of up to two months, with those that pay monthly eligible for up to one month.

Activity statements still have to be lodged on time, but no interest will apply for the period of the deferral.

Government's "Tax Break" - Hire Purchase Agreements

The small business and general business tax break (also known as the "tax break" or "investment allowance") was originally announced by the Government on December 12 2008 but went through a number of changes before the legislation was passed.



It basically gives small businesses a bonus deduction of 50% (30% or 10% for other businesses) for depreciating assets acquired between December 13 2008 and December 31 2009.

If a taxpayer wishes to claim the tax break in respect of an asset they are acquiring under a hire purchase arrangement, it is the date of the hire purchase contract that is the relevant date for establishing eligibility for the tax break, and not the time any purchase order for the asset is placed with the supplier.

For example, if a taxpayer placed an order with a supplier in August 2008 for a new depreciating asset, but did not enter into the hire purchase agreement with the financier until the asset was delivered in April 2009, then the relevant date for establishing eligibility for the tax break is April 2009, not August 2008.

Share Portfolio Advice & Management

At AKW Financial Services we offer a comprehensive advice and management service to accompany your share portfolio.

The benefits of using AKW Financial Services to manage and provide advice on your share portfolio:

- We take care of all the paperwork on your behalf
- Full reporting of your portfolio to keep you up to date with profits and Capital Gains
- At tax time we provide all the relevant documents to your accountant, which means you no longer have to search for dividend statements and trade notes
- We provide regular reviews with you so you are kept fully informed about your portfolio
- We keep you informed of all the company capital raisings and entitlement offers
- Weekly and monthly newsletters to keep you abreast of what is happening in the market

If you have a share portfolio or are looking to start one, come in and have a chat about our thoughts on the current markets and our approach to investing.

In Volatile Times You Need Secure Financial Institutions

In these volatile times investors are seeking out stable and secure financial institutions that provide sound financial advice tailored to meet their individual needs and objectives.



In other words they want to deal with an institution that has a long track record in the financial industry.

Adams Kenneally White, has been providing financial services to residents of southern NSW for more than 80 years. AKW has expertly guided their clients through both the good and the bad times.

The staff at AKW Financial Services know only too well the effects the current world financial crisis is having on investment portfolios. However, they firmly believe that with appropriate advice clients will continue to build wealth.

Every investor is different which is why AKW Financial Services tailors investment strategies to meet individual needs. They provide comprehensive strategies that may incorporate managed funds, direct shares and property.

Your wealth creation is their business. People retired or nearing retirement need investments that return a steady guaranteed income.

Younger people, on the other hand, are looking at long term growth with the present situation offering some excellent opportunities.

Whatever your needs, the staff at AKW Financial Services can come up with a strategy that meets your short and long term goals.

They offer:

- Comprehensive wealth creation planning;
- Investment and insurance advice for self managed super funds (SMSF);
- Personal insurance planning to protect your wealth;
- Management and advice for share portfolios;
- Reviews of existing share portfolios,
- Investments and superannuation.

AKW is an authorised representative of the Meritum Financial Group

Can you afford not to take the time to talk to one of AKW Financial Services' professional advisers?

In the top 100

AKW (Adams Kenneally White) has been named one of the top accounting firms in Australia. In the September 4-10 2009 issue of BRW Magazine, AKW was listed number 67 out of the top 100 Australian accounting firms.

Introducing Our New Partner - Julie Harris

Julie Harris was admitted as a partner of AKW (Adams Kenneally White) Chartered Accountants on July 1 2009.

Julie becomes the firm's 6th partner along with Michael McCormack, John W. Mason, Michael Wakeling, Graeme Obst, and Mary Potts.

Based at AKW's Wagga Wagga office, Julie travels to the company's Tumut office every Thursday. The company also has offices in Gundagai, Griffith, Batlow, Lake Cargelligo and Henty.

Julie's areas of expertise are in taxation and superannuation for small to medium size businesses including farming enterprises.



Critical Illness Benefit Insurance Is A Must

Critical Illness Benefit Insurance (CIB) is a policy that pays you a lump sum payment should you suffer from a specified illness noted by the insurer in their policy documents.

If you were to suffer from a major illness such as a heart attack or cancer etc, you may have enough savings to stay off work for 6 months, or you might have Income Protection to cover the bills etc.

However; should you require temporary accommodation or expensive medication whilst recovering, your CIB policy will give you a lump sum payment and the peace of mind that your general living costs and any unexpected expenses can be met.



CIB was designed to help you stay at home, pay for any medical requirements and GIVE YOU TIME TO RECOVER.

Statistics released by Aviva show that of the \$16m of claims they paid in 2006, the youngest person to make a CIB claim was 30 years old, 60% of claims were cancer related, 42% of claims were people aged between 50 and 59 and 70% of claims were from men.

DID YOU KNOW?

81% of Australians insure their car but only 31% insure their most important asset - their ability to earn an income.

Income Protection is an insurance policy that can pay you 75% of your usual salary if you suffer an illness or injury which prevents you from working. Your benefit payments can commence from as soon as 7 days of lodging a successful claim of your illness or injury and can be payable to age 65. **Your annual premium is even tax deductible!**

Things you need to ask yourself regarding your income and your need for Income Protection;

- How long could I support my family if I get injured or suffer an illness that keeps me from working?
- How will the bills be paid after my holiday and sick pay runs out?

Business expense insurance is also an option if you are self employed.

Payments can be used to help meet fixed business expenses such as vehicle & equipment lease, rent on your business premises, rates and utilities.

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