

## Global Economic Crisis

As you are no doubt aware, the global economic crisis (GEC) has created some real challenges for businesses throughout Australia and across the globe. Throughout all of this, the Frederiks Group of Companies remains solid and is meeting the challenges of these new times.

Our business strength has provided some buffer in dealing with increased costs of wages for professional CPA staff, rent, insurance and other overhead expenses, however the changed trading environment requires us to respond appropriately and responsibly.

Whilst we are always reluctant to raise our fees, a price increase is both necessary and unavoidable at this time. In fact our last fee increase was effective from 1 January 2007 – some 3 1/2 years ago.

## Fixed Fees

Effective from 1 July 2010, we have introduced a new **Fixed Fee Pricing Model** for our range of professional services.

The Fixed Fee Pricing Model replaces the previous **Hourly Rate Model** that was based on the number of hours taken to complete a particular job.

The Fixed Fee Pricing Model will mean that all clients will now know what their fees will be, prior to each work assignment being accepted.

We believe that this Model will be very well accepted with most clients supporting the transition to Fixed Fees.

We have explained the reasons for the transition to the new model in a **Fixed Fee Pricing Brochure**.

This Brochure also provides details of the current market rates charged by accountancy practices, and an explanation of the various categories of fixed fees that will now apply to Individuals, Partnerships, Companies, Trusts and Self Managed Superannuation Funds.

Please take the time to read the **Fixed Fee Pricing Brochure** so that you might gain a better understanding of how the new fees will apply to your particular situation.

## New Schedule of Fees

Our new **Schedule of Fees Brochure** effective from 1 July 2010 is now available.

The Schedule of Fees Brochure contains all of the Fixed Fees charged by Frederiks Accountants.

A separate Schedule of Fees Brochure has been prepared for Frederiks Corporate Services, with such fees being effective from 1 April 2010.

If you require clarification of any of the fees, please direct your enquiries to either David Frederiks or Ann O'Brien.

## Recent Staff Changes

We are pleased to announce the recent appointment of **Ann O'Brien** CPA, B Com (Acc), Adv Dip Bus (Acc) to the new position of **Manager (Taxation)**, and **Julie Frederiks** to the new position of **Manager (Administration)**. These newly created positions will ensure that an effective management structure is in place to support the continuing growth of the Frederiks Group.

Unfortunately, we also advise that **Kim Seymour**, **Bridie Tapley** and **Amanda Kellaway** (all long serving employees) are no longer employed by the Practice.

Kim has decided to take an immediate break from the accounting profession and has relocated to the Gold Coast, whilst Bridie has left to travel the world for a couple of years with her husband.

In their place, we welcome the recent appointments of **Nik Parikh** CPA, MPA, MC, B Com, **Susan Proudfoot** Dip Bus (Acc), Dip Office Admin and **Alan Gibson**, Trainee Accountant.

Nik Parikh has previously worked for Griffin Jones & Co, Savona & Associates and E Tax Accountants Pty Ltd, whilst Susan Proudfoot has previously worked for Munruben Taxation & Business Services, Owen Harris & Associates, Lucas & Co, and Wisemantel & Co Accountants. Both accountants bring a wealth of knowledge and experience to the Practice.

We also welcome **Kathryn Oxley** as a new member of our team. Kathryn has previously worked at Robins Accountants & Margaret Franklin & Associates and has over five years experience with ASIC Corporate Compliance work. She will provide additional support to Vicki Watson (Corporate Services) with the formation of business structures & ASIC company compliance work.

## Client Satisfaction Survey Results

We are pleased to report a Client Satisfaction Rating of 99.36% for the 2009/2010 period.

In comparison with Client Satisfaction Reports completed for the 2007/2008 & 2004/2005 periods, there was a noticeable increase in client satisfaction in the areas of Quality, Timeliness & Value of Service.

The highest level of client satisfaction was with **Quality of Work** with 91.27% of clients who responded to the survey being **Very Satisfied** and a further 8.73% being **Satisfied** (Total 100% being Satisfied/Very Satisfied).

Thank you to everyone who took the time to complete the Client Satisfaction Survey Form.

Your comments & suggestions provide us with valuable information, and will assist our team in continually improving our service.

## New Information Booklets

We have recently developed three (3) new Information Booklets that might be of assistance to clients.

They include:

- Tax Minimization Strategies
- Share Investments
- Property Investments

If you would like a copy of any of these Information Booklets please contact our office and we will post or e-mail you a copy.

The Booklets are free, and are provided as a service to assist clients with important information in these areas.

## Tax Planning

Outlined here-under are a number of common tax planning strategies that might assist you in minimising your income tax this financial year:

- Make sure that you hold investment assets in the most appropriate tax structure
- Income split wherever possible to take advantage of our marginal tax system
- Ensure you obtain the 50% Capital Gains Discount by holding investment assets for at least twelve (12) months
- For those taxpayers with a taxable Capital Gains consider selling other poor performing assets at a loss to reduce the amount of tax payable
- Defer income until the next financial year
- Maximize tax deductible super contributions wherever appropriate
- Prepay interest on Investment Loans to bring forward tax deductions this year
- Where a Trust makes a substantial taxable profit, consider the possibility of forming a Beneficiary Company for profit distribution purposes
- Utilise franking credits on Share Dividends to reduce income tax on lower taxed entities like Self Managed Super Funds or low income earners.

For those clients seeking more specific tax planning advice relevant to their personal situation, please contact our office for an appointment.

## Consultancy Services

We are pleased to announce the establishment of **Frederiks Consultants Pty Ltd** as the fifth company within the Frederiks Group.

This company will focus on offering a suite of Business

Planning, Human Resource Management, Quality & Continuous Improvement, Organisational Consultancy & Business Coaching services to our small/medium business clients.

The suite of services for the new Company is currently being developed, and a Schedule of Fees will be issued in due course.

Included with this Newsletter is an **Organisational Consultancy Needs Analysis Survey Form** which has been designed to obtain feedback from our business clients about the type of consultancy services that they require.

Please take the time to complete this Form (if applicable) so that we can develop an appropriate suite of relevant services that meet your current business needs.

## Do you have a GST or PAYG Tax Debt?

For businesses with an annual turnover of less than \$2M, you have until 30 June 2010 to negotiate or renegotiate with the ATO a payment arrangement which will be interest free for a period of 12 months.

## BAS Statement Preparation

In order to ensure the accuracy of the BAS Statements prepared by our Practice, it is important that we have complete records including Bank Statement reconciled accounts. This will ensure the inclusion of all receipts and invoices, and that the correct amount of GST is claimed/paid.

If you wish us to prepare the Bank Reconciliation Statement and accompanying accounts, we require complete Bank Statements for the period along with all tax invoices and receipts.

Our fee for Book-keeping is based on time taken and is in addition to our fee for preparation & lodgement of the BAS. Alternatively, we can prepare and lodge the BAS based on the reconciled accounts prepared by the client or a book-keeper. Additional information may be required and we will contact you accordingly.

If your business only has minimal transactions in a quarter, reconciled accounts may not be necessary as long as we have all tax invoices.

## Henry Tax Review

The Henry Taxation Review Recommendations have finally been released, and the Federal Government has provided its response.

Key recommendations supported by the Federal Government include a new Super Resources Tax of 40% on the profits of Resource Companies, an increase in the Superannuation Guarantee from the current 9% of Gross Wages to 12% of Gross Wages via gradual incremental increases commencing from 1 July 2012, and an increase in the immediate write off of depreciable assets for small businesses from \$1,000.00 to \$5,000.00 effective from 1 July 2012.

Best wishes to all our clients for a successful year ahead!