

2016 YEAR-END PLANNING CHECKLIST

SMALL BUSINESS - Turnover <\$2M Companies, Partnerships, Trusts and Self-Employed.	BUSINESS ENTITY	ACTION REQUIRED BEFORE 30 JUNE 2016
Bad Debts	ALL	Bad debts have to be written off prior to 30 June. You cannot write them off when the Financials are prepared so review your Debtors and identify what should be written off to the Profit and Loss prior to 30 June.
Equipment Purchases	ALL	If your turnover is less than \$2m, think about buying equipment under \$20K before 30 June which are subject to an immediate write off. Note the \$20K is not a threshold but per Equipment purchase. For e.g. If you buy a piece of Equipment that is \$40K, it will NOT be eligible for the write off as it is over \$20K.

Maximise Depreciation	ALL	Review your Asset Register and write off any old equipment that is no longer used to claim the loss on disposal. Consider delay of asset disposal where there is going to be an assessable profit on sale.
Superannuation Guarantee	ALL	Consider paying all your Employees' June Quarter 2016 Super before 30 June rather than the usual 28 July 2016 deadline to be able to claim the super as a Deduction in your 2016 Return.
Defer Revenue	ALL	The Company Tax rate is likely to fall from 28.5% to 27.5% in the 2017 financial year so consider deferring income relating to products or services that are not carried out until after 30 June 2016. Consider invoicing on 1 July.
Maximise deductions	ALL	Pay for operating expenses such as Stationery orders or prepaying 12 months of Insurance in advance.
Make Trust Resolutions	TRUSTS	If you have a Family Trust, Trustees must make a Resolution for the distribution of profit prior to 30 June 2016.

Repay Unpaid Present Entitlements	TRUSTS	If there is an Unpaid Present Entitlement owing to a Corporate Beneficiary and you do not repay it in full by 30 June 2016, it may be deemed as a payment of an unfranked dividend.
Family Trust Elections	TRUSTS	In most cases, it is prudent for Family Trusts to lodge a Family Trust Election to obtain the concessions it affords.
Division 7A Loans	COMPANIES	Ensure that Directors and Shareholders Debit Loans are minimised to avoid paying non-deductible but assessable income of interest to the Company.
Capital Gains Tax	ALL	Consider disposal of unrealised Investments to take advantage of Capital Losses to apply against Capital Gains to optimise your overall tax position.
Company Tax Rate	COMPANIES	The Tax rate for 2016 is 28.5% for Companies with a turnover less than \$2m. Non-company businesses will be entitled to a Small Business Tax Offset. The Company tax rate may drop to 27.5% from 1 July 2016 for small businesses.

Research and Development	COMPANIES	For eligible companies, ensure you bring forward R&D expenditure to maximise the Offset in the 2016 Tax Year; Physically pay outstanding fees to Associates (e.g. Directors) for it to be eligible for R&D Offset in 2016.
Register with Super Stream	ALL	Small employers (19 or fewer employees) must meet the SuperStream standard by 30 June 2016 .
Revisit your Strategic/Business Plan/Marketing Plan	ALL	All businesses, no matter how small, should have developed a Business Plan which includes their high level strategic objectives. Both should be reviewed annually to monitor progress or adjust due to a change in circumstances.
Develop a Budget for the 2017 Financial year	ALL	Start thinking about preparing your Operating Budget for the 2017 Financial Year.
Review Profitability	ALL	Review staff productivity; your production process; your supply chain; how you are using your business assets; costs.

Review Finance Options	ALL	As part of your Business Plan for 2017, review what Capital Expenditure you will require to grow your business. Consider also keeping some surplus funds to self-finance any opportunities that may arise or for contingent expenditure on the horizon.
Review /Develop your Risk Management Strategies	ALL	Identify the Risks to your Business and record these in a Risk Register noting the potential impact of each and develop action items to mitigate those risks. Review the Action items periodically at on-going Executive meetings held.
Financial Health-Check	ALL	Review Financial reports, undertake liquidity, solvency, profitability and return on investment ratios. Prepare a SWOT analysis.
Superannuation Contributions	SELF-EMPLOYED	For Self-Employed Businesses understand the 10% rule when contributing to Super by 30 June 2016.

Fringe Benefits Tax	ALL – except Partnerships and Self-Employed	From 1 April 2016 small business entities are able to provide more than one work-related portable electronic device to an employee and claim the FBT exemption for each device.
Business – start ups	ALL	Start-ups will be able to immediately deduct a range of professional expenses required to start up a business such as professional, legal and accounting advice. Generally, these expenses are deductible over 5 years.

Please contact us on (02) 8416 5746 or email us at info@armstrongadvisory.com.au should you have any questions on the above or would like to discuss any of these matters relative to your personal circumstances.

DISCLAIMER

This information is presented in summary form and intended only to draw your attention to issues you should further discuss with your accountant. Please do not act on this information without further consultation.

We disclaim any responsibility for actions taken on the above without further advice as to your particular circumstances.

With respect to matters relating to Superannuation this information service only and therefore, does not constitute financial product advice and should not be relied upon as financial product advice. None of the information provided takes into account your personal objectives, financial situation or needs. You must determine whether the information is appropriate in terms of your particular circumstances. For financial product advice that takes account of your particular objectives, financial situation or needs, you should consider seeking financial advice from an Australian Financial Services licensee before making a financial decision.