



# PERRY URE news

October  
2002

## -WELCOME-

Welcome to the first edition of Perry Ure News. Responding to our clients feedback for more information on current industry topics, we will produce a regular newsletter to provide that information.

Perry Ure News will also feature a "Client Profile" page. If your business would like to be included in future editions please send us a business story, including your logo. Similarly if you have any exciting news, such as

nomination for an industry award, mergers etc, please let us know so that we can include it in future editions.

The newsletter is available in hard copy and on our new website - **perryure.com.au**, so if you prefer to receive your news electronically, please complete the enclosed form and return to us.

In addition to our bi-annual newsletter the Perry Ure website will be updated monthly with up to the minute information on

topics such as legislation changes, upcoming events, and of course the latest cricket scores!

We hope you find our newsletter a useful source of information. And remember - this newsletter is for you, so don't hesitate to send us any topics that you would like to see covered in future editions.

John Ure

## -CALENDAR-

21 October .....Monthly BAS due for September  
28 October.....Quarterly BAS due for September  
21 November.....Monthly BAS due for October  
21 December.....Monthly BAS due for November

visit **www.perryure.com.au**  
for regular updates

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Specialising in:

Accounting

Audit

Taxation

Financial Planning

Business &  
Management Advice

Cash Flow  
Budgeting & Control

Superannuation

Business  
Development

Training

Mentoring

**Perry Ure ... Your Partner in Business**

## **S A L A R Y SACRIFICING: Is it the answer for you?**

Salary Sacrificing is an option more and more employers are offering employees at all levels of the organisation.

### **What is it?**

In simple terms, it is when an employee decides to decrease their gross salary in return for a non-cash benefit such as a vehicle, superannuation, health insurance, or even school fees. Both the employer and employee must agree to this arrangement.



Adjustments must be made before personal income tax is

deducted. For example, if salary sacrifice contributions were being made in the form of Superannuation payments, the employer would pay the salary sacrifice contributions directly into the employee's superannuation account BEFORE personal income tax has been paid.

### **The Benefits:**

- You could reduce your personal income tax.

### **The Pitfalls:**

- There are both effective and ineffective forms of salary sacrificing.
- If sacrificing to Superannuation, a superannuation surcharge may apply.
- Employer superannuation contributions may be effected.
- FBT will be incurred on some forms of salary sacrificing.
- Need to be mindful of keeping non-sacrificed wages above industrial Awards.
- Your employer may not agree.

If you are interested in salary sacrificing, come in and see one of our staff to discuss your individual needs.

## **Interest Deductible Under Split Loan Facility**

The Full Federal Court has allowed taxpayers a deduction for compounding interest claimed under a split loan facility, whereby borrowings are split into one private account and one for investment purposes. This allows repayments to be streamed to the private account. Compounding interest accrues on the investment account so the private component diminishes over time and the investment component grows.

The Federal Court found that Part IVA general anti-avoidance rules did not apply, as the main purpose of the arrangement was to borrow money, not to obtain a tax benefit. Accordingly, the interest was allowed as a deduction.

The Tax Office has sought special leave to appeal this decision.

**CAUTION:** We urge clients to take great care when entering into split loan arrangements, particularly pending the outcome of the Tax Office's application for special leave.

## **-Perry Ure Training Centre-**

Perry Ure offers specialist on-site training in the following areas:

- MYOB
- Quickbooks
- Cashflow Manager
- BAS preparation
- Chart of Accounts

Our training packages are designed on a case-by-case basis, with all training conducted at your business site, ensuring your business needs are met without losing staff for a day or 2 to attend traditional training courses.

Most training can be conducted in one or two 1/2 day sessions.



If you would like to find out more about a Perry Ure training package, or would like a quote for your training needs, please call Karl today on 49264522, or email [khirst@perryure.com.au](mailto:khirst@perryure.com.au).

You can also click on "Training" on the Services page at [www.perryure.com.au](http://www.perryure.com.au).

## CLIENTS ON THE MOVE:



Established in 1999, Newcastle Auto Dismantlers is an automotive recycling business, specialising in parts for Nissan, Mazda and Hyundai vehicles. Currently located in Pendlebury Road, Cardiff the business was established when owner, John Young, saw a need for quality parts supplied in a professional manner. With a background in customer focused industries in the competitive Sydney market, John and his team have built a solid reputation based on first-rate service and attention to detail.

In it's short history, the business has attracted a loyal client base who have come to know NAD's high service ethic and determination to source the most suitable solution.

In addition to individual customers, regular local clients include car dealerships, automotive workshops, insurance companies and corporate groups. Extending the network even further, permanent internet connection to over one hundred similar businesses via the Parts Hotline, sees orders sent as far afield as North Queensland and Tasmania. If their comprehensive stock doesn't supply the necessary parts, the Parts Hotline also assists them to locate and order parts for all makes and models.

While the core lines of Nissan, Mazda and Hyundai make up the majority of trade, many clients are

becoming familiar with the crossover between makes, for example Mazda 323 parts are interchangeable with Ford Laser. As a value added service, NAD is also a fully licensed mechanical workshop and can provide installation for all parts sold.

As of 1 October, NAD will relocate to it's new, environmentally-friendly premises just around the corner at 8 Alhambra Avenue Cardiff, providing larger workshop facilities and increased undercover storage. Call in or phone John to see how Newcastle Auto Dismantlers can help you.

### Contact Details:

Address: 8 Alhambra Avenue,  
Cardiff  
Phone: 4956 9277

## CLIENT PROFILE:

# WORKTOGS

is your local King Gee Clothing Distributor. The business has been at the Nineways for over 20 years and prides itself on a prompt friendly service. We specialise in supplying all your workwear requirements in one location.

### Our Product Range Includes:

King Gee Workwear, King Gee New Gees range of cargo workwear, Victor and Blundstone elastic side and lace up safety and non-safety boots, Fluro Safety and Hi-Visibility clothing, Newcastle Hats and Caps, Drizabone, Rainwear, Safety Equipment including hard hats, hearing and respiratory products, safety specs and Corporate wear. Embroidery and reflective tape service is also available.

Contact us on 4969 3895, or call into the store at 82-84 Belford Street, Broadmeadow.

## CLIENT PROFILE:



Peter Evans founded Peter Evans & Associates in 1986. The firm has grown steadily since 1986, currently retaining the services of two other lawyers, a law graduate and five support staff. The firm is located in its own building in the heart of the Newcastle City Centre at 6 Bolton Street.

Peter Evans and Associates acts in all areas of law both personal and business. We specialise in commercial advising. This includes advice to companies and their executives. We would value the opportunity to act for you in any matter where your firm requires legal assistance.

We provide advice in the following areas:-

- Wills and Deceased Estates
- Company and Business Law
- Employment and Consultancy Agreements
- Unfair Dismissals
- Joint Venture Agreements
- Development and Building Contracts
- Financing arrangements and corporate structures
- Sale and purchases of businesses and companies
- Confidentially, copyright licence and distribution agreements
- Environmental and local government law

We may be contacted by telephoning 4926 4788 or email [p.e@evanslaw.com.au](mailto:p.e@evanslaw.com.au)

## STAFF PROFILE: Introducing Karl Hirst



Karl joined Perry Ure in 2000 after spending several years at a firm based in Maitland.

Karl brings over 6 years of practical experience to Perry Ure including a wealth of knowledge in general accounting as well as a number of specialisation areas, including:

- Start-up Business
- Micro to Small Business Accounting
- Taxation
- Cashflow Budgeting & Control

Karl has completed a Bachelor of Commerce and is a registered CPA.

On the personal front, Karl is a keen soccer player (his team recently winning a Grand Final) and home renovator. And, being from Newcastle, he is (of course) a Newcastle Knights supporter

Please call Karl on 49264522 for assistance with your accounting and taxation needs, or email: [khirst@perryure.com.au](mailto:khirst@perryure.com.au)

### Better Business Tip: Managing the GST

Remind your staff never to pay accounts if they have not been provided with a tax invoice bearing an ABN.

Never assume that your staff understand the importance of collecting valid invoices and receipts - or you could find yourself at the end of the financial period with a very large pile of non-claimable receipts.

Keep in mind that bottom line profitability is often dramatically affected by the sum of many deceptively small expenses.

*This Better Business Tip brought to Perry Ure clients by DSRD NSW*

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### AUSTRALIANS MISSING \$200m: Is some of it yours?

ASIC recently launched a new website, "FIDO", to help Australians track down lost or forgotten money that may be in old bank accounts, insurance policies or from company share sales.

Looking for this money is a simple process, although we do warn that, depending on your modem speed, results could take longer than expected to download (up to 10 minutes).

Simply go to the [www.fido.asic.gov.au](http://www.fido.asic.gov.au) website and conduct your search.

The FIDO service is free and anyone can conduct a search.

If you would like Perry Ure to search for lost monies on your behalf, please contact Anne Bates on 49264522. She would be pleased to assist.