

Level 4, 22 Grenfell Street Adelaide SA 5000

PO Box 773 Glenelg SA 5045 T +61 (8) 8110 6012
F +61 (8) 8110 6013

Nicholas Kohler Director E nkohler@directnorthadvisory.com



## Newsletter, December 2011

## **Practice Update**

We have a new trainee in the office, her name is April:



April will be in the office until she graduates from her course at the Royal Society for the Blind; she hopes to become a qualified RSB Guide Dog. April is very friendly and enjoys attention (but only when she's not wearing her work jacket). April is regularly "using the amenities" on the roof which confuses office workers in nearby buildings (they need to take a second look to make sure that they're not working too hard and hallucinating). Should any clients be audited, we will appoint April as the ATO liaison officer.

The year has passed quickly; the past six months have been extremely busy but I have achieved a lot. I would like to thank everyone for their support and look forward to new opportunities the new year will bring. I would like to wish everyone a very happy Christmas and New Year. I will be taking a short break over the holiday period so the office will close on Friday December 30 and re-open on Monday January 16. I will have limited email access during this period.

## Christmas parties/gifts and Fringe Benefits Tax (FBT)

Hosting Christmas parties and providing gifts during the festive season is a way for businesses to thank their employees for all their efforts. Employers should be careful to remember that FBT implications can arise.

There is a minor benefits FBT exemption which means that, in most cases, employers can spend less than \$300 per employee (including Christmas parties) without FBT being applicable. This threshold relates to each benefit provided, not to the total value of all associated benefits provided to employees and their families.

The cost of providing a Christmas party is income tax deductible only to the extent that it is subject to FBT. Therefore, any costs that are exempt from FBT cannot be claimed as an income tax deduction.

## **Lodgement Dates**

The end of the December quarter may easily be forgotten over the Christmas period so you should be aware of the following dates:

- 28 January 2012
- 28 February 2012
- December quarter Superannuation due December quarter BAS due

Did you know that if your Tax Agent lodges your quarterly business activity statements (BAS) electronically, you get a four week electronic lodgment and payment concession? Unfortunately this isn't available for the December BAS as the normal due date is extended by four weeks after the Christmas period.

Kind regards, Nick