



Newsletter, December 2015

Practice Update

Fausto and I would like to thank clients, referrers and everyone that we have worked with this year for their support. We hope that the New Year brings everyone more business opportunities so that we can help contribute to the success and growth of client's businesses. After doing some more exams this year, I'm now a CA self-managed superannuation fund specialist which will also help grow our business.

We would like to wish everyone and their families a very happy Christmas and New Year and we hope that everyone enjoys the summer break. We also hope that the New Year brings much happiness and success.

Hayley and I aren't going away this year (we will only dream about a holiday). We will be trying to stay cool and get to the beach when it's not too hot. I'm looking forward to Christmas and all the baking and other delicious food that I'll be consuming.

Christmas cash flow reserves

Business typically slows down (except for segments like retail and hospitality) between Christmas and Australia day (coinciding with the school holidays) while many people are away on holiday. Businesses can run into financial difficulties over this period as the seasonal shut down takes over and the normal cycle of cash collection is disrupted. A significant number of businesses ensure that they have cash reserves over the holiday period to cover staff wage costs and other expenses as cash flow problems arise due to both:

- customers paying late due to their own cash flow problems or going on holiday before making payments;
- suppliers going on holiday which affects sales and the ability to plan work.

Just remember that the ATO doesn't take any holidays, so try and avoid dipping into your GST account!

Seasonal ups and downs are part of business but be you should be prepared for customers to disappear while they are on holidays over the next month. If all your customers are on holidays and you're not going to be busy then you might consider taking some time off too as there may not be much to gain by keeping your business open and incurring costs. Running a business is a challenge and you need to ensure that you and your staff schedule in time to relax, have fun and partake in the festivities. It's also a good time to create a sales forecast and establish targets so you have a plan to prosper in the New Year.

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 2016 December quarter superannuation payment due
- 28 February 2016 December quarter BAS due

Did you know that if your Tax Agent lodges your quarterly BAS electronically, you get a four week electronic lodgement and payment concession? This isn't available for the December BAS as the normal due date is extended by four weeks after the Christmas period for everyone.



Kind regards,
Nick