

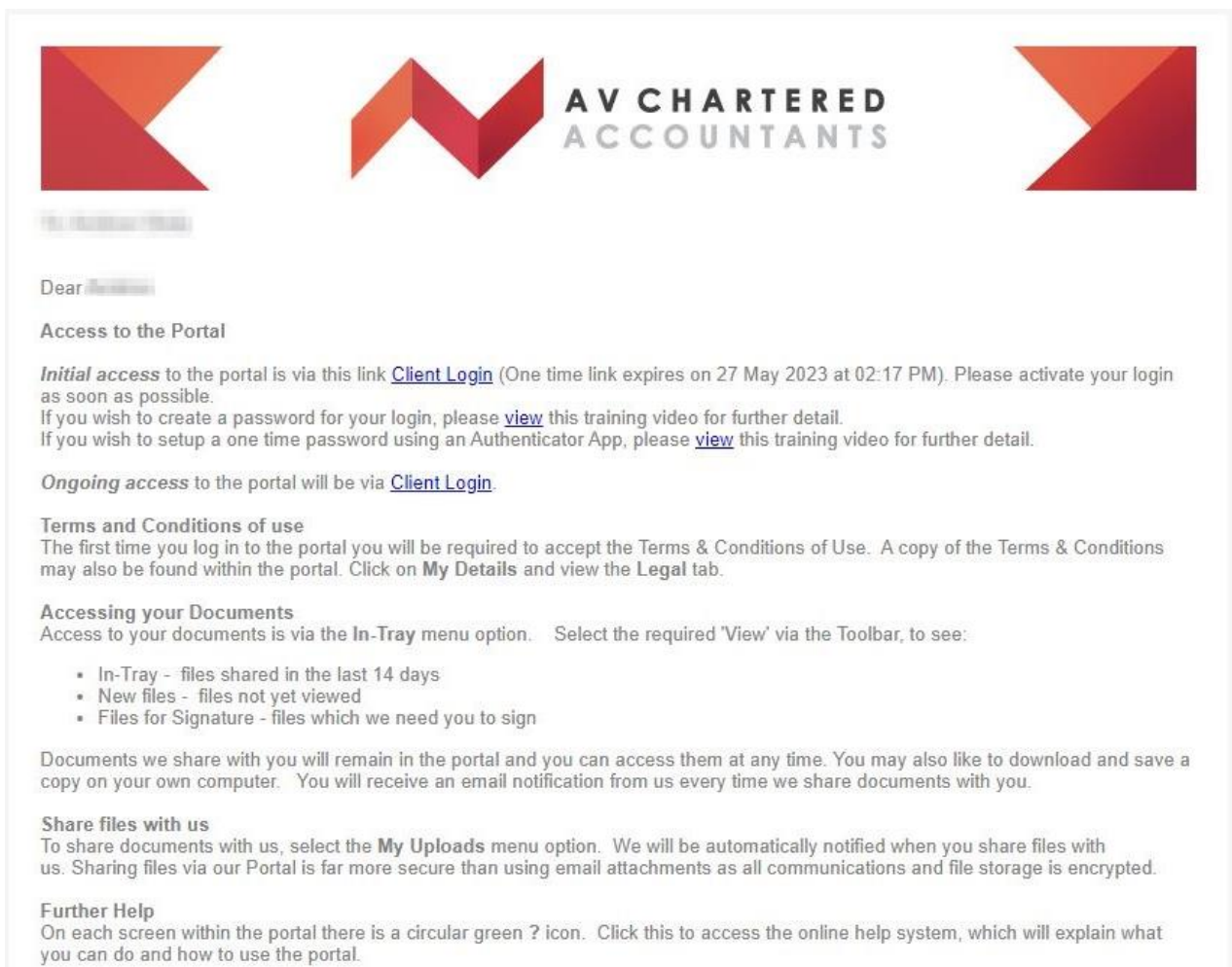


OUR NEW PORTAL AND ALL ABOUT ASSETS

A. All Aboard the new Nimbus

We have implemented some new software that will act as our internal document management system as well as replacing our current Portal. Called Nimbus, it is a cloud based platform that is very efficient. Hopefully it will save us all time.

From now on, if you sign documents with us electronically, you will receive a new welcome email. You will know it's new as it has a new orange and red banner at the top. This is from us, it's not a scam. Follow the prompts and you're all aboard the new Nimbus. See pic below for what the new email will look like:



B. Cover your Assets #1

Did you know that if you fail to pay your Annual Company Statement fee to the Australian Securities & Investments Commission (ASIC), ASIC may de-register your company? Did you also know that any assets that are held or owned by the company from that point on vest in ASIC? We heard of a recent matter where repeated requests from ASIC to pay the Annual Company Statement fee were ignored. Not only did ASIC de-register the company, the company's bank account was closed by their bank and all remaining money was sent to ASIC.

As you can imagine, this caused a mini panic attack and it took months to sort out. So please do not ignore those annual reminders from us to pay your Annual Company Statement fee.



C. Cover your Assets #2

When selling assets such as property or shares, please contact us for advice on Capital Gains Tax (CGT). We've noticed a few incidents of late where clients (and a solicitor in a Deceased Estate matter) made assumptions about assets being CGT free which were wrong. Always refer to us.

The best way to understand it is that **everything** is subject to CGT, and maybe an exemption may be claimed. A little bit of planning before hand goes a long way to manage you tax bill and in a lot of cases reduce your CGT.

If you're thinking of selling, please contact us first.

D. Cover your Assets #3

Finally, the current system of Temporary Full Expensing (TFE) ends on 30 June 2023. TFE applies to all business taxpayers who have a group turnover of less than \$5bn. There is no limit on the cost of assets that can be written off, except for cars that are capped at \$64,741.

In the recent Budget, the Federal Government announced an extension of sorts for another 12 months but there were some subtle changes. After 01 July 2023, TFE will be replaced with the Instant Asset Write Off (IAWO). The IAWO will apply to all business taxpayers who have a group turnover of less than \$10m. The limit on the cost of assets that can be written off will be \$20,000 (exclusive of the Goods and Services Tax, the GST). This new system ends on 30 June 2024 (unless another extension is announced).

If an asset costs \$20,000 or more (ex GST), it is added to an Asset Pool. Depreciation is 15% in Year One (regardless of when in the year the asset is acquired during the year), and 30% in subsequent years.

Here is the catch. All those assets you bought up to 30 June 2023 under TFE will eventually be sold or traded in. You will not be allowed to offset the gain from the sale of those assets against the balance of the Asset Pool. This means whatever you receive for the sale/trade in of a pre-30 June 2023 asset will be fully assessable (exclusive of the GST). An example may help, [please click here](#).

A final word of warning. To get TFE, the asset must be 'first held for use' before 30 June 2023. For cars, this means the car needs to be driven off the car lot.

For those thinking you can get an invoice dated before 30 June 2023 for an asset that will be delivered to you after that date, that strategy will not work. The Australian Tax Office (ATO) has already indicated they will be looking for proof of delivery documentation for TFE claims before 30 June 2023. So keep ALL the paperwork, we will need it.

As always, if you have any questions, please contact our offices.

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