



ProAcct Newsletter

Issue Number 28 Summer 2010

The Directors and Team would like to wish you all a very Merry Christmas and a Safe and Happy New Year.

**Our office will be CLOSED from
Thursday 23rd December, 2010
and OPEN
Tuesday 4th January, 2011.**



The most important tip we can give you is to contact us! ProAcct and its team of professional advisors.

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Important: This is not advice. Clients should not act solely on the basis of the material contained in this newsletter. Items herein are general comments only and do not constitute or convey advice per se. Also, changes in legislation may occur quickly. We therefore recommend that our formal advice be sought before acting in any of the areas. The newsletter is issued as a helpful guide to clients and for their private information. Therefore it should be regarded as confidential and not be made available to any person without our prior approval. We respect your privacy. You have received this newsletter because your details are currently included on our mailing list. If you wish to be removed from our mailing list and receive no further communications of this nature in the future, please contact our office.

ATO Refunds and your Financial Institution Details

One very good reason why you should provide your Financial Institution Details if you have a refund coming from your Tax Return.

A recent case where a refund cheque went missing. The refund cheque was mailed by the ATO to the address as stated on the Income Tax Return—"mailing address", but never made it to the hands of the recipient. On following up with the Australian Taxation Office this was the reply:

Ownership of the cheque passed to you when it was delivered to your nominated address. Our obligations relating to your refund have been fulfilled and we are unable to assist you further in this matter.

As this is now a civil issue, you can initiate proceedings against the person who presented your refund cheque. We suggest that you seek legal advice regarding any further action.

Providing your Financial Institution Details for ATO Refunds eliminates the possibility of a cheque going missing it also allows you quicker access to your money.

Director Penalty Notices

'ATO blitz on business debts'.

It serves as a timely reminder to all business owners not to underestimate the position of the ATO when it comes to unpaid tax.

We have seen a rise in the number of director penalty notices ("DPNs") issued by the ATO for failure to remit PAYG withholding taxes, which, if not complied with, can result in a director becoming personally liable for such amounts. Whilst DPNs have been around for some time, recent changes to the regulations have made it easier for the ATO to take action against directors personally for non-payment. The changes are summarised as follows:

	Old Regime	New Regime
1. Time to comply with DPN	14 days from the old DPN received by the recipient	21 days from the date the DPN is posted—not negotiable
2. Manner in which to comply with DPN	<ul style="list-style-type: none">• Pay the debt in full• Enter into an instalment arrangement• Appoint a Liquidator• Appoint a Voluntary Administrator	<ul style="list-style-type: none">• Pay the debt in full• Appoint a Liquidator• Appoint a Voluntary Administrator
3. 'Illness or other good reason' defence	Director required to establish the defence	In addition, director must also establish that it would have been unreasonable to expect the director to have taken part in the management of the company at that time.
4. Court relief	Court had power under Section 1318 of the Corporations Act to grant relief to a director for their obligations in respect of a DPN	Court no longer has the power to grant relief under Section 1318

The most significant change affects a company's ability to enter into a payment arrangement, which previously allowed a director to avoid personal liability. Under the new regime the entry into a payment arrangement with the ATO will not remove the director's personal liability.

With this in mind, if you receive a DPN or have significant unpaid tax debts it is crucial you seek professional advice. Should you wish to discuss this issue or any other insolvency related topic, please do not hesitate to contact us.

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Five office Stretches

Lower Back Stretch	Neck and shoulder stretch	Forearm stretches
<p>1. Sit with your head and back upright in your chair with feet firmly planted on the floor. Slowly rotate around in your chair to the left, starting from the lower back and then rotating the head, to look as far behind you as possible. Hold this end position for 10 to 15 seconds. Keep back upright throughout the movement. Then slowly rotate to the right to return to the starting position. <i>Repeat rotations to the left and right three to five times.</i></p>	<p>2. Sit upright in your chair with your right hand placed on top and at the back of your head. Slowly bend your head slightly forward to look under your right armpit while applying some gently pressure to the back of your head. Hold the end position for 10 to 15 seconds. Repeat with your left hand on top of your head to look under your left armpit. <i>Repeat three to five times.</i></p>	<p>3a. Sit in chair with right arm extended forwards and the heel of your hand on your desk. Grasp fingers with left hand and gently pull back towards forearm (wrist extended). Hold for 10-15 seconds and feel the stretch in the forearm muscles. <i>Repeat three to five times.</i></p>
Forearm stretches	Hipflexor stretch	Shoulder and chest stretch
<p>3b. Extend right arm out in front. Grasp back of hand and gently push the fingers towards the front of the forearm (wrist is now flexed). Hold for 10-15 seconds and feel the stretch in the forearm muscles. <i>Repeat three to five times.</i></p>	<p>4. Sit forward and on the edge of your chair while sitting with your back upright. Extend your left leg forwards to prevent you falling off the chair. Move right leg backwards as far as possible (flexed) and underneath your chair with the top of your foot touching the floor. You should feel the stretch on the front of your thigh and in the groin area. Hold the end position of the stretch for 10-15 seconds. <i>Repeat with opposite leg as above, three to five times.</i></p>	<p>5. Stand facing a corner with your feet together, 60cms from the corner. Make the stop sign with both arms and place hands on opposite walls. Taking a small step forwards, keep your back upright and press your chest towards the corner as far as possible. Hold this end position, you should feel the stretch across the front of the shoulders and the chest area. Hold this position for 10-15 seconds. <i>Return to starting position and repeat three to five times.</i></p>

Pork Belly Roast

1.1/2 kg boned Pork Belly

Simmer Pork Belly in a large pot of water for 45 minutes with 1 handful of salt.

Take out and score with a sharp knife. Rub with oil and lots of flaked salt.

Put Pork Belly on a rack in a roasting tray, add 2 cups of water and cook in oven on 180 degrees for 1 hour.

While cooking make the glaze.

In a small pot place:

- 4 heaped tablespoons Honey
- 2 Cloves Garlic roughly smashed
- 1 Star Anise
- 2 Tablespoons Coriander Seeds - crushed slightly
- 2 Fresh Bay Leaves

Heat on high for 2 - 3 minutes.

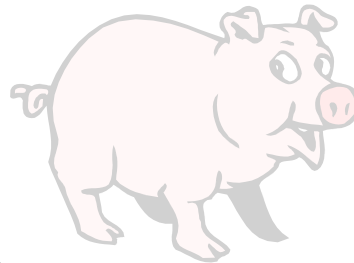
Set aside to cool slightly.

Check Pork, should be looking crisp and crunchy, if not, turn up oven heat to very high, around 220 degrees for 5 or 6 minutes or place under Grill.

Pour juices from pan into glaze pot and bring back to boil. Strain glaze.

Slice up Pork Belly and place on platter.

Pour over glaze and serve.



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Dates to Remember 10/11

Lodgement due date	Description
21 December 2010	Monthly activity statement for November 2010
15 January 2011	Income tax return for taxable large/med business taxpayers as per latest year lodged—all entities other than individuals—unless required earlier (payment for companies and superannuation funds was due 1 December 2010).
21 January 2011	Quarterly PAYG instalment activity statement – head companies of consolidated groups – quarter 2, 2010–11. Monthly activity statement for December 2010.
28 January 2011	Superannuation guarantee contributions, for quarter 2, 2010–11 – contributions to be made to the fund by this date.
21 February 2011	Monthly activity statement for January 2011.
28 February 2011	Quarterly activity statement, quarter 2, 2010–11 – all lodgment methods. Quarterly instalment notice – form R, S or T – for quarter 2, 2010–11 – lodgment only required if varying the instalment amount. Income tax return for non-taxable large/medium business taxpayers as per latest year lodged – all entities other than individuals. Income tax return for new registrant large/medium business taxpayers. Income tax return for non-taxable head company of a consolidated group – including new registrants – that has a member who has been deemed a large/medium business taxpayer in the latest year lodged. Income tax return for members of a consolidated group – who exit the consolidated group for more than one day during the financial year. Income tax return for new registrant (taxable and non-taxable) self-managed superannuation funds. Income tax return for new registrant (taxable and non-taxable) head company of a consolidated group. Annual GST return or information report if taxpayer does not have an income tax return lodgment obligation. (If taxpayer has an income tax return obligation, this return/report must be lodged by the lodgment due date of the income tax return.) <i>Superannuation guarantee charge (SGC) statement – quarterly for quarter 2, 2010–11 (if required contributions were not made by the due date).</i>
21 March 2011	Monthly activity statement for February 2011.
31 March 2011	Income tax return for companies and superannuation funds with total income in excess of \$2 million in latest year lodged (excluding large/medium business taxpayers). Income tax return for head company of a consolidated group that does not have a member who has been deemed a large/medium business taxpayer in the latest year lodged, but does have a member who had total income in excess of \$2 million in latest year lodged (unless due earlier). Income tax return for individuals and trusts which were tax level 6 as per latest year lodged (excluding large/medium business trusts).
21 April 2011	Quarterly PAYG instalment activity statement – head companies of consolidated groups – quarter 3, 2010–11. Monthly activity statement for March 2011.

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For information on Accounting, Tax Tips, Tax Planning, Wealth Solutions, Wealth Creation, Finance & Lending, Personal and Business Insurance and much more visit our website www.proacct.com.au or call 03 9880 9600 for assistance.

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