

SPECIAL
POINTS OF
INTEREST:

- PTA's mission is to place you & your business in a healthier and stronger financial position
- 'Rolling' forecasts are now the modern budget planning tool
- You can now use your super to borrow & buy property

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PTA News Beat

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OCTOBER 2009

Pinnacle Tax & Accounting have opened an office at Camden

Welcome to the first edition of "PTA News Beat".

At PTA we understand the importance of keeping our clients informed about the latest accounting and taxation updates.

Future editions of PTA News Beat will focus on such updates as well as other news items we believe will be of benefit to our clientele.

We've just opened our practice at Camden.

It's been a busy and exciting time for us. Camden is a historical and vibrant city with a very bright future.

Our office is located in 'The Exchange' Building, right in the heart of the Camden shopping and business centre.

We're pleased to be a part of the Camden community and look forward to the challenges ahead.

We are looking for new clients

This is your opportunity to get expert 1 to 1 accounting service from a highly qualified team at PTA.

Keeping you ahead.....

PTA has the resources, experience and knowledge to help individuals, professionals and small business people to meet their tax, superannuation, business, financial planning and financing needs.

PTA's range of integrated services and proactive team of professionals will help you select the right solution for all stages of your business and working life.

For more information about our services or to meet with one of our representatives, simply call Peter or Craig (02) 46 55 7711 or email:

admin@ptagroup.com.au



"Our mission is to place you & your business in a healthier and strong financial position"



Is your super not so super? - article written & provided by Pinnacle Advisory Services Group

A good investment and review strategy can be likened to a road map—it helps you get from where you are now to where you want to go.

PTA in conjunction with Pinnacle Advisory Services Group ["PASG"] can obtain the best investment research and advice to help you manage your wealth creation, superannuation and or self managed superannuation fund and investment needs.

PASG will document investment strategy and regularly review from a prepared plan of selected investments, and or review of your existing investments to help you achieve your desired investment strategy outcome.

PTA & PASG can also help you plan for the retirement phase of life—providing a retirement and estate planning service.

For more information about how PASG can help you, phone John, Dean, Rebecca or Luke on (02) 4655 7711



Use your super funds to borrow & buy property

- article written & provided by PTA

Using your super to invest in property is one of the ways to increase your wealth.

Achieving this investment goal can now be accelerated by making the most of changes to Australia's superannuation laws.

Changes now enable you to borrow and invest directly in property, broadening the scope for investors to use residential property as a wealth-building and income-generating tool.

The advantages of investing in property if you have your own self managed superannuation fund ["SMSF"].

Once you have established your SMSF in compliance with current superannuation law, members of the fund can gain access to significant tax efficiencies only available in the superannuation environment.

These tax efficiencies mean investing via a SMSF may give you more after-tax money available to pay down your loan faster. Paying down a loan faster saves interest over the term of a loan and may assist you in building wealth faster for retirement.

This may mean that by using your super to borrow you can acquire a larger and more diversified portfolio of investments.

Some of the advantages of purchasing property using your super are provided below:

→ Interest expenses and other property related expenses,

including depreciation allowance, are tax deductible.

→ Earnings on the fund are taxed at a rate of 15%. In contrast, if you owned the property in your personal name, the earnings would be taxed at your marginal tax rate. For many people their personal marginal tax rate is more than 30 cents in the dollar.

→ If you sell the property held within the SMSF, any capital gain relating to the property will be taxed at an effective rate of 10% (provided the property is held for more than 12 months). By contrast, if you owned the property in your own name, capital gains may be taxed at a marginal tax rate of 23.25%.

→ When members of the SMSF reach a condition of release (under current law, generally at 55 years of age), specific assets relating to those members are income and capital gains tax free.

How a SMSF can borrow to invest in property

Broadly, you can borrow to invest in a property using a SMSF if you follow the guidelines below:

→ The loan has to be for a property being acquired by the SMSF, it cannot already be owned by the SMSF.

→ The property must be held on trust for the SMSF while the borrowing is in place. This trust is separate to the SMSF and is often referred to as a 'bare trust' or 'custodian'.

→ All of the benefits associated with the property (such as income and capital gain) must be provided to the SMSF and the SMSF has to be able to pay out the loan at any time and gain full title to the property.

→ Any lender's recourse or security against the SMSF's assets has to be limited specifically to the property being purchased by the SMSF, not to any other assets held by the SMSF.

Superannuation law is complex and as such, careful management and sound advice are of paramount importance.

Investors should obtain legal and accounting advice when considering investing in property using their super or SMSF to fund the property purchase.

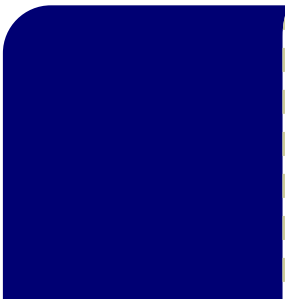
PTA can help you take care of your super borrowing needs to buy property.

Our firm has the resources, experience and knowledge to handle your super and investment needs.

For more information about our superannuation and SMSF services or to meet with one of our representatives, simply call (02) 4655 7711 or email: admin@ptagroup.com.au or visit www.ptagroup.com.au

PTA's Integrated Services:

- Pinnacle Advisory Services Group
 - Mortgage Choice
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You can now use your super to borrow and invest directly in property

There are tax advantages when investing in property

May assist you in building wealth faster for retirement



Times are tough – small business needs are our priority

- article written & provided by PTA



Get Your FREE PTA Consultation / Business Health Check

Our focus is to help place you and your business in a healthier and strong financial position.

We understand the specialised and sometimes very individual accounting needs of small business clients.

We'll put your business first with a 1 to 1 client relationship.

We know from experience that in the present economic climate, business circumstances may have changed. It is essential therefore that you regularly check the health of your business.

PTA can provide your business with an obligation FREE business health check.

At PTA we provide a comprehen-

sive range of accounting services and solutions.

You'll deal with an experienced small business tax & accounting expert who understands small business.

So whatever your accounting needs, start the conversation today—simply give us a call to see how we can help you structure your business to put you in a stronger & healthier position.

For more information call (02) 46 55 7711 or email: admin@ptagroup.com.au



Budgeting Essentials —the use of rolling forecasts

- article written & provided by PTA

Today, business owners need a measurement system to help them make faster, well-informed decisions.

Leading businesses are placing forecasting at the centre of the management process. The business objective is to cut out the detail and focus on key business drivers.

Today's business view is that it is very optimistic to expect the budget assumptions adopted when planning annual budgets to remain valid for more than a few weeks, let alone 12 months.

A more robust and reliable performance management framework tool gaining wide acceptance in Australia and Internationally is *Rolling Forecasts*.

Rolling Forecasting is the process of using previous Budget figures in combination with the latest actual to revise upcoming income and expenditure and make decisions based on trends.

Progressive businesses are today exploring new ways of integrating and aligning their budgeting, strategic planning forecasting and performance management processes to rolling forecasts and strategic management reporting.

Rolling forecast models link with the key business drivers, key performance indicators KPI's, quarterly and annual cash flow management tools.

Rolling forecasts have an edge over many other performance management systems .

By way of example ABC download monthly results; But ABC also generate a rolling 12-month forecasts each quarter. ABC operational staff amend the previous forecast with current actual, and then create a new forecast.

ABC then consolidates the information in its modelling, and uses it as the basis for its annual three-year planning process.

At PTA we understand that when times are tough, knowledge is power.

By having up to date budgeting forecasts, you are in a better position to adjust and take advantage of changes to your business environment.



Rolling Forecasts reflect reality and have an edge over many traditional performance measures.

For more information about Rolling Forecasts or to meet with one of our representatives to discuss how PTA can help you, simply call (02) 46 55 7711 or email:

admin@ptagroup.com.au

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Pinnacle Tax & Accounting is an innovative accounting practice based at Camden in the Macarthur Region of Sydney, New South Wales.

PTA offer straight forward accounting services to individuals, professionals, family businesses and small to medium size businesses.

PTA specialise in:

- Tax
- Business Consulting
- Self Managed Superannuation Funds

We also have integrated services such as:

- Financial Planning; and
- Financing

We're a truly 1 to 1 client-centered relationship firm. Our mission is to place you and your business in a healthier and strong financial position

On the road to refinancing

- article written & provided by Mortgage Choice, Camden

There is potential to enjoy big savings off your monthly repayments and expand the range of features available.

The prospect of interest rate savings is one of the key motives for refinancing.

As a guide, refinancing a \$300,000 home loan taken out over 30 years, from a rate of 5.81% to another charging 5.11% could trim the total interest payment by as much as \$47,160 over the course of the loan (provided new loan is written over the same period as the remaining loan term being refinanced. Alternatively you could extend the term to reduce your monthly repayments).

If your mortgage is larger, or the rate gap is wider, the interest savings can be far more substantial.

Another key reason for refinancing is to consolidate debt. Folding a personal loan or credit card balance into a mortgage can

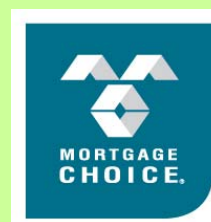
make the repayments more manageable and may also provide a big savings, especially for credit card debt, which can attract interest charges as high as 18%.

Along with the benefits, refinancing can involve costs. So before bailing out of your current loan, it's essential to check that the numbers stack up. In addition to upfront fees imposed by the new lender, it's worth enquiring about 'exit' fees charged by your current lender.

Borrowers may also face additional lenders mortgage insurance charges if the value of their home has dropped, or the loan size has increased to over 80% of the property's market value.

A simple, free and no-obligation home loan health check may be all it takes for us to confirm whether your current loan is still tailored to your current situation.

For more information ring Mike or Tony on (02) 4655 1139 or email: tony.egan@mortgagechoice.com.au



A simple FREE and no obligation home loan health check is now available

Privacy: There will be occasions where we would like to send you valuable information directly related to accounting changes, ATO updates, available services and other offers, tips and opportunities. However should you wish to receive only certain types of information or nothing at all, please email admin@ptagroup.com.au or phone (02) 4655 7711. **Disclaimer:** The content of this newsletter is written expressly for education purposes and is based on the opinions of the authors. The authors are unable to accept any liability or responsibility whatsoever to any error or omission or any loss or damage of any kind sustained by a person or entity arising from the use of this information. It is recommended that you seek professional advice relevant to your specific circumstances before acting on the information based in this document.