

YOUR QUARTERLY SOURCE FOR BUSINESS ADVICE AND INFORMATION

Brought to you by GTC Financial

Q4 | April - June 2013

THE ADVISOR



A MESSAGE FROM NEVILLE HUGHES

I HOPE YOU ALL HAD A HAPPY AND SAFE EASTER.

**AT GTC FINANCIAL WE USED THE RUN UP TO EASTER AS AN
EXCUSE TO EAT MORE CHOCOLATE THAN NORMAL...TRUST ME
THAT IS REALLY SAYING SOMETHING.**

As we head towards the end of the 2012-13 financial year and the start of the next (2013-14), the focus of this Newsletter is **PLANNING**. We have been busy planning ourselves, Lana our business coach has helped us develop plans for the next 90 days, year and 5 years. Without these we would lack the direction needed when operating in an industry which is constantly changing. She meets with us every month to ensure we are staying on track and plans are changed to take account of changes in circumstances.

I have read several times that having a written business plan increases your chance of success by as much as 60%, so if you want to improve your chances of success

then I suggest you call us to help you prepare a business plan.

Please give us your feedback on our newsletter's new format, we've gone electronic to reduce paper use and for cost efficiencies. We are always looking for ideas for future editions, send them to our Marketing Coordinator Pallavi on Pallavi. Malviya@gtcfin.com.au.

Cheers

Neville Hughes CPA
Director

INSIDE >>

p2 CLIENT
CORNER



p4 BUSINESS LIFE
PLANNING



p5 ARE YOU WELL
PROTECTED



p6 IMPORTANT
DATES FOR 2013



TAX PLANNING CHECKLIST



June 30 will be here before you know it, so it's time to ask yourself:

- ☐ Do I know how much tax I am going to pay?
- ☐ Do I know how I can legally reduce my tax?

If you've answered no to either of the above questions then you need to contact GTC Financial to arrange a meeting.

We can:

- ☐ Estimate your tax position BEFORE the end of the financial year, and
- ☐ Advise you of sensible ways to legally reduce your tax.

For you, this means:

- Understanding what tax you will have to pay if no actions are taken!
- Knowing your options for saving tax!
- Peace of mind minimising the chance of a nasty surprise come tax time!

30 June is approaching fast, don't delay make an appointment now

CLIENT CORNER...

**ROSS PAROZ
RECENTLY RETIRED
AFTER A LONG
CAREER IN LOCAL
GOVERNMENT AND
ALSO OWNS A SMALL
DRAFTING BUSINESS
IN GLADSTONE.**



Ross and his wife Cheryl have been clients of GTC for 10 years and in that time we have worked closely with them as their financial advisors and accountants.

GTC not only provided tax planning advice for their business but also formulated their retirement planning strategy.

Here's what they had to say: "We came to GTC 10 years ago and since then they have helped us by providing important advice about getting our finances sorted.

The best thing about coming to GTC was that we got advice related to all our financial queries at one place. It's an entire package. Not only helping us to build up our business but also in our personal financial planning.

The level of advice that Emma gave us has

exceeded our expectations in many ways. She prepared the best possible retirement plan for us by taking into consideration our entire situation. We are extremely happy with her strategy. In fact she showed us options which we never knew were available to us and has planned diversification of our investments in the most tax effective way.

We now have a regular income plan and find it very easy to manage our assets. With Emma's impeccable

strategy we were able to set up our family trust and have sufficient resources to fund our retirement lifestyle which includes plans for extensive travel both home and abroad. We are also taking GTC's advice on developing our estate plan. Knowing that your money and future is in good hands gives us peace of mind.

We strongly recommend GTC Financial and its services."

Ross & Cheryl Paroz

WHY PREPARE A FINANCIAL FORECAST?

The financial forecast is critical to your business plan, especially if it is for the purpose of getting a bank loan.

More importantly, you are an investor in your own business and you must have confidence in the validity of your business concept. Use a financial forecast to prove to yourself that your business will generate your desired profit and when it will start to make that profit.

A financial forecast is a vital tool in the financial management of your business and, like your business plan, requires regular review and amendment to be effective. Once the period for which you prepared the budget is over, be sure to compare the actual results against your budget forecasts.

Have a look at why variations have occurred, take any remedial action necessary to correct the problem, or plan for them accordingly in your next budget.

Advantages of an effective financial forecast:

- Demonstrates the financial viability of a new business venture.
- Allows you to construct a model of how your business might perform financially if certain strategies, events and plans are carried out.
- Allows you to measure the actual financial operation of the business against the forecast financial plan and make adjustments where necessary.
- Allows you to guide your business in the right direction and take control of your cash flow.
- Provides a benchmark against which to measure future performance.
- Identifies potential risks and cash shortfalls to keep the business out of financial trouble.
- Provides an estimate of future cash needs and whether additional private equity or borrowing is necessary.
- Assists you to secure a bank loan or other funding. Lenders and investors require financial forecasts to show your capacity to repay the loan.





PLAN TO BE FINANCIALLY INDEPENDENT!

C.A.L.M.S (Cash flow, Asset, Liability, Management System) is a comprehensive plan that helps you achieve "Financial Independence".

What is Financial Independence?

We define Financial Independence as having enough resources

in retirement to live the lifestyle YOU choose. Importantly, it means YOU choose whether or not you have to work!

A C.A.L.M.S plan is about gaining control of spending, getting rid of "Bad Debt" (e.g. Car Loans, Credit Cards), reducing your home loan and freeing up equity. That equity can then be used to set up an investment plan to set you on the path to Financial Independence.

One the main benefits of a C.A.L.M.S plan is its flexibility. As your circumstances change so does your C.A.L.M.S plan. This allows you to continue to grow and prosper.

Are any of the following issues important to you?

1. Getting spending under control.
2. Reducing debt.
3. Setting up an investment plan to achieve financial independence.
4. Legally reducing tax.
5. Having a flexible plan that takes account of kid's education, holidays, upgrading your car or home.

If so, then contact GTC Financial Services to assess whether a C.A.L.M.S plan is right for you.

Financial security is only a phone call away.

This document has been prepared for general information purposes only and not as specific advice to any particular person. Any advice contained in this document is General Advice and does not take into account any person's particular investment objectives, financial situation and particular needs. Before making an investment decision based on this advice you should consider, with or without the assistance of a securities adviser, whether it is appropriate to your particular investment needs, objectives and financial circumstances. GTC Financial Services Pty Ltd is a Corporate Authorised Representative No 314227 of Futuro Financial Services Pty Ltd AFSL 238478. ABN 30 085 870 015

BUSINESS LIFE PLAN (BLP) ... a plan especially for small and medium business owners

Most Small and Medium Business Owners' personal lives and their businesses are intertwined; issues that impact the business will also affect the owner's personal life and vice versa. Therefore Business Plans prepared without considering the personal goals or issues of the Owners are less likely to succeed.

"Business Life Planning" is a structured planning process that encompasses both business and personal circumstances.

The Seven Benefits of Business Life Planning are:

1. Identifying the causes of business and personal stress for business owners, and developing realistic plans to address these causes. Great for improving "work/life" balance!
2. Compares your business performance to industry benchmarks and identifies areas which can be improved. These form the basis for "improvement plans" and objectives for the business. Gives the business a clear direction forward.
3. Finding out the value of your business and determining whether or not it will fund your retirement. Do you have a "Value GAP"?
4. Helps resolve "Partnership" issues. If business partners don't have Common Goals or Vision, a BLP is a good forum to reconcile differences or agree to go separate ways.
5. Excellent framework for business owners to start formalising their succession plans. What's your exit plan?
6. Flushes out Estate Planning (Wills etc.) and Personal Insurance shortcomings.
7. There is a detailed action plan to keep everyone accountable. Our Coach Lana keeps us on track, who keeps you accountable?

If you can relate to any of the above, then a Business Life Plan is for you. Contact us now to organise an appointment to discuss your situation. The initial appointment is free, so what have you got to lose?



PLANNING FOR SUCCESS

IF YOUR FOOTY TEAM DIDN'T HAVE ONE, THEY'D ALWAYS BE THE "WOODEN SPOONERS".

YOU WOULDN'T GO ON HOLIDAY WITHOUT HAVING ONE AND YOU'D NEVER THROW A PARTY WITHOUT ONE. WHAT ARE WE TALKING ABOUT? A PLAN, OF COURSE!

Yet amazingly, when it comes to money, most people don't have a plan.

They make excuses like being too busy or not yet earning enough money. Or it's too hard and they don't know where to start. No one plans to fail but by not having a plan, many do exactly that.

Managing money is not that hard but most people have never been shown how to do it properly.

The truth of instant wealth

Unfortunately, there is no magic way to instant wealth. When you're filling in the squares of the lottery form, spare a thought for the odds of winning first division of the Saturday night Gold Lotto - about 678,000 to 1!

And in many cases, even when you win the big prize, if you don't have a plan, it will simply slip through your fingers.

By first learning to accumulate wealth we are able to live the lives we want and achieve our goals.

Just do it!

The secret to success is to make a start. It doesn't matter if the plan isn't complete or not perfect. There are proven techniques that can make you wealthy over time. You just need to apply these methods in a disciplined way and stick to a plan over time.

The secrets are simple:

- To spend less than you earn.
- To drive down personal debt as quickly as possible.
- To save regularly.
- To invest in assets that will produce tax-effective income as well as growth.
- To borrow money to boost your investments.

Applied properly these strategies can reduce tax, helping you to grow your wealth even faster.

TOP 10 TIPS FOR WRITING A BUSINESS PLAN

1. **Create a Vision:** Before you get lost in the details, outline a clear vision and a coherent set of values for your company. Develop a mission statement, and use it to define short-term goals and priorities.
2. **Know that a Budget isn't the same as a Plan:** If you don't have a clear picture of your industry, customers, competitors, and market conditions before you develop a budget, your numbers aren't likely to reflect reality.
3. **Don't Ignore Your Customers:** Take time to learn about your customers and build your business plan around their needs and desires.
4. **Don't Underestimate Competitors:** Pay attention to the competition and you won't be unpleasantly surprised. Also, your competitors can be a great source of information about what works and what doesn't.
5. **Be Prepared to Take Risks:** a good business plan anticipates possible challenges, as well as possible good and bad scenarios. It should also include a variety of strategies for meeting challenges and taking advantage of opportunities.
6. **Get a Second (and Third) Opinion:** Even if you're the only person involved in your business, find someone who can study your plan objectively and point out possible weaknesses, such as issues you might have missed, as well as highlight areas of strength.
7. **Expect the Unexpected:** Every business plan needs some wiggle room to allow for unexpected changes. Part of this involves creating budgets and marketing plans with some built-in flexibility.
8. **Don't Forget What Makes You Unique:** while a business plan helps to look at your competitors, don't model your business after them. After all, you're in business to flourish and beat the competition.
9. **Be Clear About the Rewards:** When you set goals in your business plan, include some concrete motivation that goes beyond the satisfaction of a job well done. People work harder when they know what they're working for.
10. **Don't Skip the Plan!:** Planning is hard work, and there's no guarantee it will make your business succeed. But a good plan is still the best way to turn your vision into a realistic, coherent business. So don't just think about this step -- really do it!

Being in control

In the fast-paced world in which we live, it's easy to think we are swept along and there isn't much we can do to influence where we end up. Of course, that's not true and most of us will know people who were "lucky" and achieved their dreams. But was it really luck?

Successful people often set goals for themselves and have

a plan to achieve them. The plan might not be foolproof, but they adapt it as they go along to give themselves the best chance of succeeding.

Like having a personal fitness coach, a skilled adviser can work with you to create a plan, monitor it and help make it work for you.



It COULD really happen to you

IMAGINE YOUR BUSINESS PREMISES, OPERATIONS AND PERSONAL RESIDENCE BEING DESTROYED!!

UNFORTUNATELY, THIS IS EXACTLY WHAT HAPPENED TO LOCAL WASTE MANAGEMENT BUSINESS BURGMANN ENVIRONMENTAL MANAGEMENT.

During the recent Boyne/Tannum floods from Cyclone Oswald, the Burgmann group was significantly inundated by water.

Insurance Brokers, InsureProtect, were among the first to try and get access through the roads to reach Burgmann Environmental Management.

Linda Whelan (from InsureProtect) waited for the closed roads to reopen, with essential food needs and clear advice to ensure the

directors clearly understood they were fully protected.

The relevant underwriters were the first to be advised and assessors arrived on-site within the week. Hydrologist were then appointed and overseen on site by InsureProtect representatives.

Clean up directives and guidelines for insurer compliance were given immediately by InsureProtect with all plant and equipment, stock and contents being recorded and photographed prior to disposal.

Burgmann will receive 100% replacement or repair of their entire loss due to an extensive Risk Management Documentation Process their business is put through periodically.

GTC and InsureProtect work closely with many valuable clients as both firms have similar values and aligned goals - Burgmann is just one of many examples.

OUR ADVICE

What would we recommend to other businesses?

DON'T ever let an Insurance Salesperson advise your business without looking at their formal commercial professional qualifications and core industry experiences!

What makes us stand out from others?

Low rates and outstanding service with high level professional qualifications and experience, but most importantly we actually care!



JOKE TIME

THE MARKET IS WEIRD. EVERY
TIME ONE GUY SELLS, ANOTHER
ONE BUYS, AND THEY BOTH THINK
THEY'RE SMART.

WHEN THE INSURANCE COVER WASN'T ENOUGH

SOMETIMES WE HAVE ALL THE RIGHT INTENTIONS BUT DON'T QUITE GET THE RIGHT SOLUTION.

The story

Michael is a dental technician who operates from rented rooms in a city office tower. He builds bridges, crowns and dentures for a number of local dental practices.

Michael employs Louise as an administrator to manage the front desk, collections, deliveries and office management. He's also married with two young children.

The business is thriving so he decided to enquire about personal insurances for himself and his business. After receiving comprehensive advice from his adviser, he decided to take out income protection insurance only.

This cover would pay 75% of his normal income whilst he was unable to work. It would ensure he could provide for his family, pay the mortgage and other bills, and maintain a close-to-normal lifestyle as he recovered.

Months later, Michael had a water-skiing accident and received a neck injury that left him hospitalised. He undertook intensive rehabilitation

over four months and used up his cash reserves. After the 90-day waiting period, the policy started to make payments and everything seemed to be under control.

When the rent account for his practice rooms arrived and Louise asked about her pay, he realised he would have to use his personal resources to keep the business open until he could return to work. The income protection cover he had wasn't enough for his business too.

The solution

Michael could have covered this risk by also purchasing a business expenses protection policy. This would have paid the ongoing expenses incurred by the business – such as rent, electricity, phone and Louise's salary for up to 12 months.

It pays to consult with a specialist who can analyse all your insurance needs not just the obvious ones! If you would like to talk to GTC Financial about protecting your business and your family please contact us on 4972 5177.

The information contained in this article is general in nature and has been prepared without taking into account your objectives, financial situation or needs. Before making any decision, you should consider the appropriateness of the information to your individual objectives, financial situation and needs and if necessary seek advice from a suitably qualified professional.

FREE SEMINAR FREE SEMINAR FREE SEMINAR

GOVERNMENT GRANTS AVAILABLE FOR SMALL AND MEDIUM BUSINESSES..

Would you like to improve your business but not sure where to start and concerned about the costs?

Did you know that GTC Financial could help you access "BUSINESS IMPROVEMENT SERVICES" and have the Federal Government pay for half!

It's simple:

1. Apply to have a free "Business Review" carried out at your site. This comprehensive analysis is performed by a Business Adviser (not GTC Financial). and will identify improvements needed to help you grow your business.
2. After the review you can apply for a Tailored Advisory Service (TAS) grant to engage a consultant (possibly GTC Financial) to make the improvements to your business recommended by the Business Adviser.

The grant covers up to 50% of the cost of engaging the consultant to a maximum of \$20,000 excluding GST.

The grants are available to a wide range of business and industry.

Let help you determine your eligibility and complete the application form for FREE.

Join us for our lunch seminar to learn more about the eligibility criteria and the process.

Guest Speakers:

Andrew Harvey
Business Advisor
Enterprise Connect

Carli Hobbs
General Manager
Gladstone Engineering Alliance

DATE Tuesday May 28th 2013

VENUE Gladstone Regional Library,
39 Goondoon Street
Gladstone

TIME 11:45am networking to start at
12:00 noon

RSVP marketing@gtcfin.com.au
0749725177

FREE SEMINAR FREE SEMINAR FREE SEMINAR

KEY DATES FOR APR-JUN 2013



15 MAY	Income tax returns: Final date for lodgement of 2012 Income Tax return and payment of any outstanding income tax
21 MAY	FBT return: Due date for lodgement of 2013 FBT return and payment (if required).
21 MAY	Activity statements: Final date to lodge and pay April 2013 monthly activity statements.
21 JUN	Activity statements: Final date to lodge and pay May 2013 monthly activity statements.
23 JUN	Superannuation: Make superannuation contributions by 23 June 2013 to enable processing superannuation fund to tax deduction in 2013
30 JUN	End of financial year: GTC will post an end of financial year checklist on our website by 31st may. Keep an eye on our social media site and newsletters for details.

The above dates are a summary only, for the full list of deadlines and other important dates please refer to our website under Resources Tab or use the following link - www.gtcfinancial.com.au/resources/key_dates

About GTC Financial ... Total Financial Care

At GTC Financial we are passionate about small and medium businesses, their owners and individuals who aspire to improve their current situation. We assist you at every stage of your life, business or personal. We work with you to develop innovative and dynamic solutions providing clear direction, education and ongoing support, keeping you on track. As your trusted adviser we deliver total financial care so that you can achieve peace of mind and financial independence.

GTC Financial is a Gladstone based firm of Certified Practising Accountants and Certified Financial Planners that provide a comprehensive range of accounting, taxation, business advisory services and financial planning services to private businesses and their owners having clientele base in Central Queensland. We also provide a wide range of financial advice to individuals and families.

Whatever level of service you require, GTC Financial is well equipped to offer a solution from start up phase, planning for growth through to exiting the business and planning for retirement. We can tailor our services to suit your needs and are proactive as well as being easy to deal with. Our clients tell us that they appreciate how accessible we are and the level of face to face contact they enjoy with us.

We have also developed close associations with a range of specialist advisors who can give timely advice to achieve the best possible outcomes for clients when dealing with large or complex transactions.

GTC Financial Services Pty Ltd is a Corporate Authorised Representative No 314227 of Futuro Financial Services Pty Ltd ABN 30 085 870 015 Australian Financial Services Licence No.238478

07 4972 5177
gtcfin@gtcfin.com.au
www.gtcfinancial.com.au

