

NEWSLETTER

OCTOBER 2023

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YOUR FINANCIAL FREEDOM IS OUR PASSION.

We like to help your business grow and make your business better. The most rewarding journey is to see you understand your business better, have stronger numbers which gives accountability and transparency so that you can have financial freedom.

During this journey you begin to know what you don't know and we follow your plan to keep you on course.



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WE ALL WANT TO BE SUCCESSFUL AND ARE SELF-LEAD TO IMPROVE OUR LEADERSHIP SKILLS.

Here are some thought provoking processes to consider?

How to make good decisions?

1. Identify your goal.
2. Gather information.
3. Consider consequences.
4. Make decisions.
5. Evaluate decisions.



Things that STOP decisions!

1. Not having good decisions making technique.
2. Lack of knowledge/information.
3. Too much information and you don't know where to start.
4. Conflict.
5. Trying to make one big decision that would be split into smaller decisions.

APPLYING FOR A LOAN

As interest rates rise and business feel the pressure of interest rate stress it is a good time to pause and consider how well positioned your business is to support a finance application.

1. Are your ATO obligations up to date?
2. Can you pay your ATO liabilities on time?
3. Does your profit with depreciation and interest add back provide a positive landing value ration? (LVR)
4. Can your profits support surplus free cash after living and existing loan commitments?

If you are unsure of your LVR and how to improve your position, please contact UNIQsol today.



TAX DEPRECIATION LANDSCAPE

Over the last 2-3 years there have been a number of changes to tax depreciation deductions while have provided accelerated deductions for all small business. Now moving forward what are the implications for you?



- All equipment has been transferred to a low cost small business enterprise (SBE) pool with a depreciation rate of 100% leaving a NIL book value at 30 June 2023.
- Assets purchased up to the value of \$20,000 from 1 July 2023 are eligible for 100% tax write off.
- Note that the \$20,000 immediate write off relates to “each” item. Each item by definition is an item that can be sold or purchased as an independent unit. Eg a cattle rate on a trailer or a post hold digger on a tractor.
- 1 July 2023 recommences SBE general asset pool being a group of all depreciation business assets over the value of \$20,000. Once an asset is added to the pool the asset loses its identity and the entire pool is eligible for a flat depreciation rate of 15% for the first financial year of ownership and 30% depreciation for each financial year there after.
- The SBE general pool depreciation is relative to the financial year of purchase not the date of purchase. For example if you purchase an asset on 20th June the asset is eligible for 15% depreciation and the same depreciation rate applies if an asset is purchased on 1st September within the same financial year.
- Asset sales are applied against the SBE general pool closing balance and if your SBE pool doesn't have a balance then the equipment sale value will become income to you.
- If you are planning to purchase and sell equipment in the same financial year, processing the purchase first will allow for the sale to be applied before incurring additional income.



We knew the cooling had to come. Do we like the slower pace? Not when it impacts our bank balance! However opportunities present. A true indication to hitting key measurables gives every business a foundation of strength when the economy changes. Time to batten down and muscle up commitment folks.

- What is your true cash weekly break even? (not only overheads but include loan payments and taxation provisions and owners payments)
 - Analyse your bank account activity for the last 6 weeks, have you hit this measure?
 - How close are you? One sale? 5 sales? Over or under? What's in the pipeline folks?
 - Take action and don't delay. Build financial resilience and move quickly on opportunities.
- "You know when the economy is slowing when services become cheaper"
- Value pricing delivers higher margins in any economy – what is your true unique selling proposition?

ENTREPRENEUR MINDSET



Why do some own a business and some are happy to be employees?

How much stronger would your business be if all employees had an entrepreneur mindset?

How do we grow an entrepreneur mindset?

- Schedule time for personal growth – physical family events; white space for reading
- Your business rots from the head down
- Lead by example

What is your number 1 irritation? What activity / behavior removes this? How do I foster this into my daily communication?