



Raymond Partners

Raymond Partners

ACCOUNTANTS & ADVISORS

"Our Goal Is... Helping You Reach Yours"



The Team at Raymond Partners would like to thank all their client's for their support throughout the year. We will be closed from midday December 21st and will re-open on January 10th 2011, we look forward to assisting you in the New Year.

We wish you a safe and Happy Christmas!

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Understanding Capital Gains

A capital gain or capital loss is the difference between the amount you receive when you sell an asset and what the asset has cost you.

Capital Gains Tax affects everybody, ranging from Individuals to Companies to Self Managed Super Funds. For example, a capital gain or loss will be triggered if an individual was to sell shares. Likewise, a small business operator may make a capital gain or loss if they sell an asset they use in their business, for example a business premises.

Not all sales of assets attract capital gains tax. Capital gains tax does not generally apply to depreciating assets that are used in a business, such as tools or motor vehicles. A gain on these assets is included as income or likewise a loss is claimed as a deduction.

Capital gains tax affects the amount of income you are liable to pay because you must include any net capital gain in your assessable income. However, any capital losses are either offset against current capital gains, or it is carried forward to later years to be offset against future gains.

There is a range of capital gains tax concessions, such as the 50% discount for assets held longer than 12 months, which can reduce the tax you must pay on capital gains.

Negative Gearing

Do you own an investment property, shares or managed funds? If you have an income producing investment you may be producing a tax-deductible loss to offset against your other income.

Negative Gearing is where the total expense each year is greater than the income generated by the investments. For example if you receive rental payments of \$250 a week on a property with a loan of \$250,000 at an interest rate of 7.35% the scenario would be as follows-

<u>Rental income-</u>	52 weeks x \$250		\$13,000
<u>Expenses-</u>	Agent fees	\$	910
	Loan Interest	\$	18,750
	Rates	\$	1,500
	Insurance	\$	800
	Repairs Maintenance	\$	1,000
	Total		\$22,960
<u>Tax Deductible Loss-</u>			(\$9,960)

For negative gearing to work the price of the asset must rise over time. Gearing simply for tax purposes can be a big mistake, as the tax saving will be negligible compared to the money lost on the investment.

As every Investment carries a measure of risk because of unforeseeable economic forces, we recommend you speak to one of our accountants about the most effective way to structure your investments.

Thank You

We would like to take this opportunity to again thank all our clients for their support through the year, especially those who have referred friends, family or business contacts to us.

Raymond Partners are always looking for ways to improve our service to you, so if you have any feed back or suggestions on the services we offer, please do not hesitate to contact us.

Glen's Rally Progress

The Raymond Partners Accountants Rally Team, of Glen Raymond (Driver/Accountant) and brother Matt (Navigator), have had a hugely successful finish in the 2010 Australian Rally Championship.

The team scored their first international podium by finishing second outright in the Rally of Queensland, which is a round of the Asia Pacific Championship. It was an impressive result, especially since it was the first time they had entered the International Event and were in a field full of World standard drivers and multi-million dollar budgets.

To finish off the season, the team was able to take a convincing outright win in Rally Victoria, which was based around their home town of Warragul. It was a great way to finish off the season for one of the most promising young drivers in the Australian Rally Championship.

To follow the teams progress and for more information please go onto www.glenraymond.com.au.



Getting To Know Your Accountant Stephen Raymond



Stephen has been a part of Raymond Partners for over ten years, joining the team after he graduated from RMIT with a Bachelor of Business. Since buying into the family business, he has seen Raymond Partners flourish from a staff of 3 to 10, and is looking forward to seeing the business continue to expand.

The past 10 years have seen many other life changes for Stephen, who married Melissa in 2002 and in 2009, they welcomed their son Eli to the family.

In true Raymond fashion, when he is not working or spending time with his family, he is involved in building and racing rally cars. Stephen is not only the crew chief on Glen's rally car, but also successfully drives his own Subaru rally car, including coming 3rd outright at the last Victorian State Round.

Audit Insurance

The Australian Tax Office continues to announce significant increases in their audit activity. Now more than ever Individuals, businesses and Self Managed Superannuation Funds are at risk of being selected for a random audit.

A random Audit can be very costly to you, even if no adjustments need to be made.

For this reason we have taken out Audit Insurance. If you would like to participate in this service, or would like further information regarding its benefits, please contact our office.

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