



MCA

MATHIESON CHARTERED ACCOUNTANTS LTD.



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Newsletter – November 2016

TAX CHANGES FOR LTCs: WATCH THIS SPACE

Proposals to change the rules governing look-through companies (LTCs) and closely held companies are currently going through parliamentary hearings and consultations. If passed, the Taxation (Annual Rates for 2016–17, Closely Held Companies, and Remedial Matters) Bill is expected to take start taking effect from the 2017 tax year.

The proposed changes are part of the moves to simplify tax, however there are some proposals which have a significant favourable effect. One such proposal is the removal of the loss limitation deduction in most cases (that is, where LTC losses are effectively limited to the amount the owner has at risk economically).

Another proposal affects situations where companies are liquidated and distributions of capital gains are made to shareholders. Currently, distributions of tainted capital gains (arising through a transaction with an associated party) involved in the transaction giving rise to the capital gain, are taxable. The new proposal is to exclude genuine capital gains from this by only taxing those distributed capital gains where the purchaser is a company and the shareholders of the company disposing of the asset retain an interest in the asset of at least 85% after the disposal.

If you would like more detail on how the proposals would affect your business, please contact us on 03 307 6455.

KPIs – KEYS TO SUCCESS

When you look at your numbers, do you see how you're doing? Do you see how close or how far away the business is from realising your goals? What are you measuring that will tell you whether you're racing or just revving the engine?

What are your key performance indicators? And how many of them are there?

Key performance indicators (KPIs) are the measures your



business uses to track progress against your business goals. Your KPIs relate closely to your goals and, if you are going to track performance against goals, you need to be able to measure them.

Not every business is the same and not every business owner wants the same things. This may mean that each business' KPIs may look different.

Mathieson Chartered Accountants can assist with KPI improvement coaching. Our Business Development offerings are practical and tangible services that will create long term value for you, the client. Other Business Development offerings include (but are not limited to):

- Business Planning
- Financial Awareness Coaching
- Quarterly Coaching
- Trust Review
- Value Based Selling
- Succession Planning

To find out more, contact us today on 03 307 6455.