

Is my business ready for End Of Financial Year?

In the lead up to June 30, there are a number of steps small business owners can take to prepare themselves for this end of financial year and for the future. The first step is to ensure that all of your financial affairs are in order, which is obviously something that is often easier said than done. Check that all your finances have been reconciled and are accurate, and review your balance sheet to get on top of any possible future problems with cash flow.

- **Step 1**

Reconcile your receivables, which will involve chasing down any outstanding payments from customers. If you can't recover some debts and then are able to write them off as bad debts, you will be able to claim a tax deduction.

- **Step 2**

Consider your inventory to see whether you can write off or write down the value of any stock. Review your investments—can any be sold to offset losses or have any other positive impact at tax time?

- **Step 3**

One strategy business owners can use is to pre-pay for services and supplies in order to be able to claim a tax deduction. In fact, bringing forward tax deductible expenses and deferring income can work to reduce your taxable income for the financial year.

- **Step 4**

When it comes to superannuation, make sure you are on top of all your superannuation obligations. You will receive a deduction for all employee superannuation obligations which you pay. As super is such a tax-effective method of investing, you may also want to look at investing your personal assets in super.

- **Step 5**

The end of a financial year is also the ideal time to plan for the future. Develop realistic profit and loss forecasts for the next 12 months, and set business goals for the next five or ten years. Review your insurance cover—are you protected against all the risks facing your business? Do you have an effective risk management plan in place?

- **Step 6**

If you're in business with other people, consider developing a business succession plan. A buy/sell agreement, for example, can help ensure a smooth transition of ownership in the future.