



Welcome

In this edition of Club Chat we look at the Simpler Regulatory System and the requirements that Clubs will need to follow when producing their annual financial reports. We also look at the revenue results from when the smoking ban was introduced and ways to avoid the FBT headache and much more.

If you require any further information on any of the topics we have touched on, please contact Cutcher & Neale to discuss your club's needs and how we can work with you to meet these challenges.

Ian Neale
PARTNER



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Concise Financial Reports to Members

With the passing of the Corporations Legislation Amendment (Simpler Regulatory System) Act 2007 in July of this year, the major benefit to clubs is the allowance of being able to publish annual concise financial reports on the Club's website rather than having to be mailed to members. This will enable the club to save substantially on postage and printing costs.

However, clubs will still be required to have hard copies of the report for members that request to receive it this way.

For clubs that wish to publish the concise report on its website, a letter must be sent to each member advising them of the clubs intention, and the member is given the option if they wish to receive a hard copy of the report (email and fax is also permissible if requested). This letter only has to be mailed once and not annually. New members on joining the club should be informed of this as well.

Clubs that wish to follow this path should be sending letters to members to update membership details of financial reports requirements and also ensuring that their website allows them to publish financial reports on it.



How has the Smoking Ban impacted on your club?

With the banning of smoking inside clubs from 1 July 2007, financial impacts from this ban are hard to determine at this early stage. The first quarter results of the 2008 financial year for our club clients, predominantly spread throughout the Hunter Valley region, show that – in total, poker machines net revenue streams have decreased by 4.6% on the same quarter last year.

It is noted that several of our clubs have recently undergone or are in the process of major renovations that have also impacted on revenue streams.

It is interesting to note that the impact has increased from July to September 2007 with July net revenues down by 3%, August by 4%, and September by

6.5% on the same comparable periods last year. At the time of printing this newsletter it is noted that whilst October 2007 was down November 2007 is showing some recovery over the earlier three months.

We remain cautious of the impact on smoking bans at this early stage and will provide further updates within the next edition of Club Chat.



Christmas activities leaving you with an FBT headache?

Don't let your Christmas festivities leave you with a Fringe Benefits Tax (FBT) headache. Plan your Christmas presents and parties now to avoid an unwelcome FBT bill in the New Year!



Entertainment for clients

Providing a Christmas party for clients is not subject to FBT and not tax deductible. Gifts such as Christmas gifts are also not subject to FBT but will be tax deductible.

Christmas parties held off your premises are subject to FBT if the cost of the function exceeds \$300 (GST inclusive) per person (or greater than \$300 for an employee and spouse combined), but is tax deductible. Conversely if the total benefit is less than \$300 it will be exempt from FBT, but not tax deductible.

Gifts to employees

Christmas gifts for employees costing less than \$300 (GST inclusive) per person are exempt from FBT and are

tax deductible, providing they are minor and infrequent. However if they are over \$300 per person they are subject to FBT and are tax deductible.

Bonuses

A Christmas cash bonus may be a welcome gift from employees, however it is important to consider the tax and reporting consequences, as not factoring in the appropriate amount of tax to withhold may result in a tax bill for your employee at year end, not quite the present they were after! It is also important to remember that a bonus must be reported on your employees' Pay As You Go Payment Summary.

Did you know? *Energy Savings that can save you money*

With the ever increasing costs of utilities, Swansea Workers Club has identified an innovative service that promises to save you money on your electricity contract. The services are not aligned with any major electricity supplier, so you can be guaranteed you are receiving the best deal available.

Two discount electricity retailers worth investigating are E Utility and Trans Tasman Energy Group. Secretary Manager at Swansea Workers Club, Mr Shane Armstrong, talks about the E Utility service.

How did you locate E Utility?

A sales representative contacted the club to discuss the possibility of renegotiating the electricity contract.

How have you found dealing with E Utility?

The service is very efficient, and the main goal of E Utility is to get you the best deal possible for your electricity contract.

What savings have you been able to achieve?

The club has been able to save approximately 11% on the total electricity bill over a three year period.

Contact Details

Trans Tasman Energy Group: www.tteg.com.au

E Utility: www.eutility.com.au

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