



GNS Profit Builder

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The value of good advice

Our clients Andrew & Ling came in to see us 7 months ago to get their tax work done. During their consultation with one of our accountants, Anthony Sinclair, they mentioned they were going to sell their investment property to assist with financing their new family home.

Ling stopped work last year to raise their first child. She owned a rental property that had increased significantly in value and they wanted to unlock that equity to purchase their new home. With Ling not working, it was an opportune time to sell the rental property and thereby pay less Capital Gains Tax as she had no other income that year.

Their current home, also in Ling's name, was to be kept as a new rental property. The mortgage for this was only \$60,000 so the rental income easily exceeded the deductible interest & other expenses. This was a good outcome for Ling because with no other income whilst raising her family she would pay very little tax. The down side is that even after selling their rental property, Andrew & Ling would still have a mortgage

of around \$350,000 against their new home which was not tax deductible.

This is where GNS stepped in. Anthony and our Financial Planner Linda Briers were able to structure a series of transactions in a particular sequence that gave both Andrew & Ling a huge tax advantage over time and will save them money every year in mortgage repayments. We were able to arrange new finance and structure a low cost loan in such a way that Andrew & Ling were able to convert what was about to become a non deductible debt into a fully tax deductible loan. Our advice in restructuring their tax affairs & home loan has resulted in a tax & interest saving of \$5,900pa.

But that is not where this story ends. Ling was up for almost \$20,000 in Capital Gains Tax after selling her investment property. Linda also advised Ling that by making a superannuation contribution this year, she could significantly reduce her capital gains tax liability. By making this contribution, Ling will end up saving over \$7700 in unnecessary tax plus boost her retirement savings.

Just before the big move

into their new home, Andrew broke a bone in his foot and was unable to work or assist with the move. Since Andrew is the only income earner in the family now, his untimely injury reinforced the need for Income Protection Insurance. Linda is now arranging insurance for Andrew that will cover 75% of his income should he ever be unable to work for a period of time in the future. Despite being 100% tax deductible, many people continue to put their family's lifestyle in jeopardy by not having their income protected. Most people wouldn't contemplate driving an uninsured car but have never considered Income Protection Insurance. Everyone's most important asset is their ability to earn an income. Andrew & Ling's story demonstrates the value of good tax and financial planning advice.

We may be able to assist you in restructuring your home loan, protect your income and provide taxation advice to achieve similar outcomes. Please call Linda on (03) 9499 7444 to arrange an appointment.

GNS Case Study

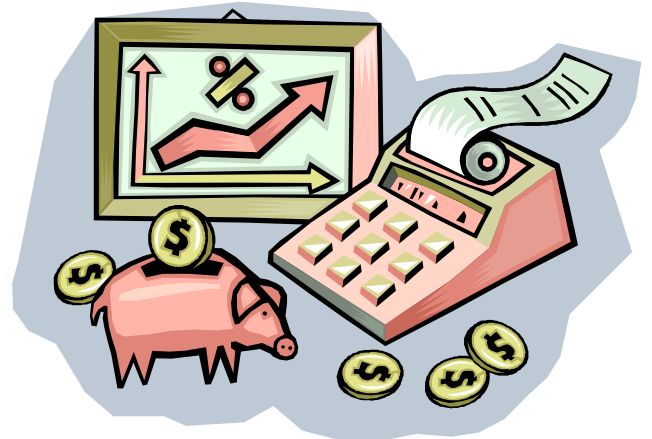
Superannuation: The self-managed option

Superannuation is a wonderful structure through which to provide retirement income because of the many tax concessions and estate planning options available. A self managed superannuation fund can also provide individuals with additional advantages over public offer type superannuation funds provided the fund is structured and managed correctly.

At GNS Group we have administered and provided advice to a large number of self managed superannuation funds over many years. Many of the funds we have helped establish now provide retirement income streams to their members. But because there are a number of financial planning strategies that can be applied to superannuation, it is important to get good advice in order to determine which strategy best meets your own unique requirements. The following example illustrates what can be achieved...

"Brian", aged 63 and recently retired, was looking for a tax effective way in which to fund his retirement. Brian owned his home and had just over \$1million invested in shares which he wished to retain. We recommended that Brian establish a self managed superannuation fund and transfer his shares into that fund. By claiming a deduction for superannuation, we were able to eliminate his entire capital gains tax obligation. We then commenced an allocated pension for Brian that allowed him to draw \$60,000 annually tax free and still provided him with access to additional amounts at any

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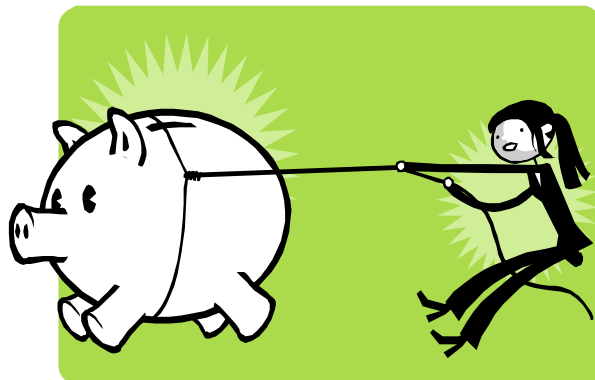


time and for any reason. With his superannuation fund paying him a pension, none of his investment's earnings and capital gains are subject to tax; this allows his investments to grow in a tax free environment and all franking credits to be returned to the fund.

By establishing a self managed superannuation fund and commencing an allocated pension, Brian was able to retain his investments in a structure that allows him to receive a tax-free income stream. In addition, the way the investment is structured means that no tax is payable on either the earnings or the capital gains.

This is just one example from amongst many. Remember, everyone's circumstances are different so it is very important to receive advice that is tailored specifically to you.

To learn more and to find out how GNS can help you achieve your retirement goals contact Linda Briers on (03) 9499 7444



Congratulations to Linda on making it into the top 50 of this year's "Personal Investor Masterclass" for Financial Planning. The Masterclass is only open to Certified Financial Planners™; the full results will be published in the February edition of Personal Investor Magazine.

Your "Front-Liners" Are Your Business' Lifeline

The people who yield the most influence over your customers and your business are your "front-line" team members.

They are the first and last point of contact your customers will have with your business. Therefore it is critical that they are aware of the importance of their role in helping you build a business that customers want to deal with. Here are some tips for ensuring your "front-line" people present the right front

for your business:

Smile. Service with a smile never goes out of fashion and is the first and simplest performance measure to insist on.

Empowerment. Enable your people to help your customers and their solve problems.

Hire people who are eager to please. Insist on front line service having a positive, "can-do" and "will-do" attitude.



Your "front-line" team members most influence your customers

Have You Built a Business or Created a Job?

Many small business owners fall into the trap of building a business so entirely dependant on them it would not survive if they were unable to work.

They have not built a business rather, they've created themselves a job.

Think about it. What's the sole purpose of a business? Of your business?

It's to give you more life. That's the only thing most of us want from our businesses—more life! And unless your business is built to do that, it will consume your life. Look at the majority of small business owners. They toil seven days a week, many times 12-14 or more hours a day. Doing it, doing it, doing it. Hoping one day to finally see a light at the end of the tunnel. Most business owners are actually enslaved by their businesses. They're anything but

free. It's little wonder the majority of small businesses fail. And those that do survive fail to reach their true potential.

Here are five ways you can determine if you have built a business or created a job. If you answer 'no' to any of the following questions, you may need to think about making some changes:

1. If you fell ill and could not work for a period of time, the business and the people who work in the business could carry on with minimal interruption.
2. The business can be sold and will run successfully without you in it.
3. You have a clear picture in your mind of what the business will look like and how it will act when it is finally done. You've shared that vision with your employees.
4. You have a 3-5 year plan and



are working on implementing your marketing, product, and financial strategies.

5. You are able to take extended vacations and can decide not to come into the office on the spur of the moment with no negative impact on business performance.

We can help you build a business that works without you. Ask us how to get started today.

Some important dates for your diary....

- 21/10/05 - ATO Lodgement & Payment date for Annual PAYG lodgement notice**
- 28/10/05 - Final date for payment of September quarter super contributions**
- 28/10/05 - ATO Lodgement & Payment date for September quarter BAS/IAS (if prepared by client)**
- 31/10/05 - Last day for lodgement of the 04/05 Superannuation Surcharge form for SMSF's**
- 18/11/05 - ATO Lodgement & Payment date for September quarter BAS/IAS (if prepared by GNS)**
- 24/12/05 - GNS Group Office closes @11am for Christmas/New Year holiday**
- 3/1/06 - GNS Group Office reopens**

'TRUST' - Our Complimentary Diagnostic Process

Use this powerful tool to help us help you identify problems and solutions!

Need help? Not sure what to do or where to turn? Well, start by taking comfort from the fact that you are not alone. Every business hits a bump in the road sooner or later, every long term plan can come unstuck when circumstances or conditions change, and the secret to getting back on track quickly is to correctly identify the underlying problem and take immediate, appropriate remedial action. Easy to say but where and how do you start?

At GNS we have a process called 'TRUST' which is designed to help you – and us – clarify the issues and get you back on track fast. And because it is a web-based application, you can access it at home or in your office any time you like. For free! Once you submit the information requested, we'll send you, by the next working day, a full report containing our analysis of the issues, the underlying causes and the corrective action required. All with our compliments.

The process is very simple:

1. First of all go to the website (www.gnsgroup.com.au) and choose the TRUST process which most closely matches your situation.

* if you are a business owner, select our [Business Review process](#); this is a process that focuses on general business issues.

* if your business is specific to the

retail industry, select our [Retail Business review process](#).

* choose the [Financial Planning process](#) if you're interested in investments, wealth protection, retirement planning and estate planning.

* or choose our [Customer Feedback process](#) if you are an existing customer and would like to provide us with feedback on your experiences in dealing with our firm.

2. Whichever option you choose, you'll be taken to a login page, where you'll be asked to submit some details and create a user name and password for yourself. Your user name can be anything you choose; your password needs to be 6-10 alphanumeric characters.

3. As long as your user name is unique across all TRUST users, you'll be taken straight to the TRUST process of your choice.

4. Once you've finished working through the assessment, click on Logout. GNS will then send you a comprehensive report on the results of the TRUST process.

Remember, it costs nothing, the report is yours to use as you see fit and you are under no obligation to take it any further.

Furthermore, as an additional



token of appreciation of your completing this process, we'll send you a free copy of our booklet titled '**How To Improve The Profitability Of Your Business**'

This booklet is literally **jam-packed** with business building tips and ideas. When you get your copy you will learn:

The 4 major factors that determine your businesses profitability. What the "lazy managers" competitive strategy is and why you'll never be highly profitable if you do this.

A complete guide to the real, bottom line effect of price discounting. (You'll be startled by how many dollars you are leaving on the table.) A proper explanation of costs and their effect on profitability. They didn't teach you this in Business 101.

A detailed case analysis of how a business improved its profit by 52.2% in one year. This real-life story lays out the 5 specific actions that were taken to increase sales and profits.

For more information go to www.gnsgroup.com.au and follow the prompts.

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