



CLIENT FOCUS:

THE OUTBACK PIE COMPANY

The Townsville based Outback Pie Company, are taking their delicious meat pies to the world.

THE OUTBACK PIE™ COMPANY ARE taking their pies to the world, with pallets of Prime Australian Beef, Cheese and Bacon, Pepper Steak and other tasty pies being exported into Papua New Guinea.

The consumers in Papua New Guinea are predominately mining workers and the reception has been overwhelming. The proof of the pudding is in the eating and these workers are eating the pies at such a rate that two containers a month are being exported.

The company is planning to expand their market even further in 2016, opening up in Japan, Singapore, Hong Kong and the Middle East.

The Outback Pie Company is a Queensland pie manufacturing business that began supplying the local Townsville market in October 2003. From inception this Australian owned company aggressively pursued its vision

of becoming an iconic Australian pie brand renowned for premium quality and is now Australia's fastest growing convenience pie brand.

The rapid success and growth of The Outback Pie Company has been driven through the company's core product line of uniquely branded,

“We identified a few years ago through our strategic planning process ... that export was viable.”

premium size 100% Prime Australian Beef Pies, which retailers and consumers alike believe deliver superior quality and value to that of larger market players. In addition to the core pie range, the company expanded its range of products for export, including meat patties and sausages.

They also developed and patented a unique technology that allows the pies

to be branded with any company logo, tag line or wording.

Built on a strong reputation for premium quality and innovative marketing, The Outback Pie Company has national distribution established and supplies to all major food service distributor groups. Managing Director,

Milo Gaffney explains that distribution is the key to success in this market, “from the outset building a strong and reliable distribution platform was critical. Without this the business would have been unviable”.

The Outback Pie Company, while maintaining its traditional food service distribution model has sought growth through going direct

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to larger customers. "Where it makes good sense for us to go direct, we do. It allows us to offer the end user customer more flexibility in delivery, warehousing and better pricing, while improving our margin".

Their purpose built factory in Townsville was established with 'export' and 'the licences required for export' in front of mind. Gaffney says that while it took considerable planning, a lot of hard work and no small expense to gear for export, it has been very worthwhile. "We identified a few years ago through our strategic planning process conducted with Tim Lunn and Michael Stanton of Stanton Mienert, that export was viable. We would be able to increase our market position, maintain profit margins and bring our strong brand to the world."

The ability to bring the Outback Pie to the world is the result of over 5 years of successful strategic planning and implementation. Gaffney, is an advocate of the value of Strategy and implementation.

The Outback Pie Company and its owners Milo Gaffney and Stewart McIver are long-standing and valued clients of Stanton Mienert. We are thrilled for their success and look forward to the world wide expansion of their iconic brand and quality products.



SMALL BUSINESS TAX RELIEF!

STARTING FROM 1 JULY 2015, small business companies will receive a tax cut of 1.5%, reducing their tax rate to 28.5%.

Other small business entities will not be missing out however. They will be entitled to a tax offset of 5% up to \$1,000.



FROM LEFT – ALEX NAIRNE, MICHAEL STANTON & RUSSELL MIENERT.

ACCOUNTANTS AND FINANCIAL ADVICE: LIMITED AFS LICENCE

Stanton Mienert have been granted a limited AFS Licence from the Australian Securities and Investment Commission (ASIC).

WE ARE PLEASED TO ADVISE that effective 21st January 2016, Stanton Mienert has been granted a limited AFS Licence* from the Australian Securities and Investment Commission (ASIC) and can legally provide financial advice in respect to self-managed superannuation funds (SMSFs).

Currently accountants are able to provide advice on SMSFs without holding an Australian Financial Services Licence (AFS License), under the exemption provided by Regulation 7.1.29A of the Corporations Regulations 2001.

However, from the 1st July 2016, as a result of the Future of Financial Advice (FoFA) reforms, this exemption will be removed, meaning that accountants will be legally unable to provide SMSF advice (or any other financial product advice) without holding an AFS License in their own right or being an authorised representative of an AFS License holder.

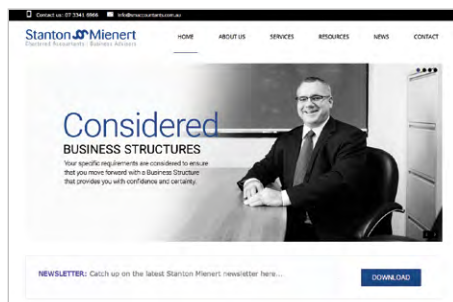
Examples of the financial advice that the AFS License approves includes:

- Make recommendations in relation to a client's existing superannuation fund to the extent needed when making a recommendation to establish an SMSF.
- Provide advice to clients on contributions and pensions.
- Assist a client to establish or wind up a SMSF.

Our staff who have successfully completed the required ASIC Regulatory Guide 146 (RG146) qualifications and can thus provide such advice under our licence include:

- Michael Stanton CA
- Russell Mienert CA
- Alex Nairne CA

* JANUARY FIGURES FROM ASIC SHOWED ONLY 87 OUT OF THE 259 ACCOUNTANTS WHO HAD APPLIED FOR A LIMITED AUSTRALIAN FINANCIAL SERVICES LICENSE HAD THEIR LICENCES APPROVED.



STANTON MIENERT WEBSITE REDESIGN

HAVE YOU SEEN OUR NEW WEBSITE? After much anticipation we were very excited to finally launch our newly redesigned website late last year.

The new website provides an enhanced look and feel, a comprehensive outline of our services and benefits, plus easy access to key resources.

The web site was designed and built by Amanda Emmerson Design, and the portrait and office photography was by Natalie McComas.

Check it out at www.smaccountants.com.au and let us know what you think.



FUEL TAX CREDIT RATES INCREASED

FUEL TAX CREDIT RATES INCREASED from 1 February 2016. Rates are indexed twice a year in line with the consumer price index (CPI) – in February and August.

Clients need to check the current fuel tax credit rates online before completing their BAS.

The ATO has a fuel tax credit calculator to help get your claim right. This can be found at www.ato.gov.au/Calculators-and-tools/Fuel-tax-credit-calculator/. The calculator helps you work out:

- Your fuel tax credits for fuel you acquire for use in your business.
- Adjustments for fuel tax credits from a previous BAS.



REVIEWING YOUR SALARY PACKAGING ARRANGEMENTS

The new fringe benefits tax year starts on 1 April 2016, with the following changes taking effect from this date:

CAR EXPENSE FRINGE BENEFITS

The rules for individuals claiming car expense deductions have changed. As a result, if you reimburse expenses relating to an employee's use of their own car, only two methods will be available to calculate the taxable value of this fringe benefit (when you apply the 'otherwise deductible' rule). The two methods are:

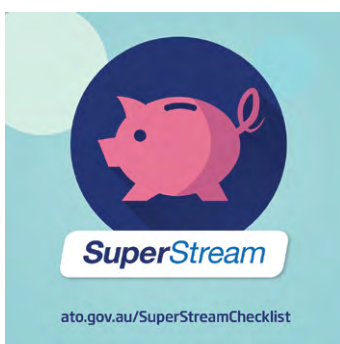
- The log book method;
- The cents per kilometre method (a single rate of 66 cents per kilometre now applies).

MEAL ENTERTAINMENT BENEFITS

All salary packaged meal entertainment benefits will be reportable. They will also be subject to a separate cap of \$5,000. Benefits exceeding this cap will be counted towards an employee's existing FBT exemption or rebate cap.

Please note, the changes to the rules for individuals claiming car expense deductions also impact on employers who pay car allowances. Employers now need to withhold tax if the car allowance exceeds 66c per kilometre.

SUPER STREAM: ARE YOU PREPARED?



THE NEW METHOD OF PAYING your employees superannuation entitlements is approaching fast for businesses employing less than 20 employees*. The date that SuperStream must be implemented and used for small Employers is 30 June 2016. We have received feedback that employers who have already started to use SuperStream are finding the new system a much more efficient method of paying superannuation, although the initial setup can be a little time consuming.

The ATO website has a handy guide on how to set up SuperStream for your business. Go to www.ato.gov.au/Super/SuperStreamChecklist.

However, if you need any assistance, please don't hesitate to contact our office.

* EMPLOYERS WITH 20 OR MORE EMPLOYEES WERE REQUIRED TO IMPLEMENT SUPERSTREAM PRIOR TO 31 OCTOBER 2015.



ARE YOU THINKING ABOUT BRINGING EMPLOYEES IN AS SHAREHOLDERS?

BY TIM LUNN

At some stage of your business life cycle, it is common to ask – ‘Will my business and me benefit from introducing key employees as shareholders?’

IN A SMALL BUSINESS, DETERMINING the correct answer to that yes or no question can be very complex and depends on the specific circumstance of your business.

You must begin at the end and determine how you are likely to exit your business.

Will it be through a trade sale? An acquisition from a competitor? A management buyout? Are you looking to really build your business and take it public?

A trade sale, including a sale to a supplier or a competitor is generally simpler and more straight forward if you own 100% of the business.

If you are looking at your business being acquired by key employees, or taking your business public then introducing employees as equity holders can be attractive.

If you are considering introducing employee shareholders, I would highly recommend contacting us here at Stanton Mienert to discuss your thoughts first.

PROS of Employee Shareholders

- For cash-strapped startups, equity-based financing may be the only option for bringing talent on board.
- Minimizes employee turnover.
- Employees who hold stock often view themselves more as owners than just employees.
- Equity employees are more invested in the future of the business.
- Inject capital into the business or to the owner.
- Create the pathway to a management buy-out.

CONS of Employee Shareholders

- Difficult situation if employees work standards drop.
- Difficult to exit out a shareholder if relationships sour.
- Minority shareholder rights.
- Need to be transparent with all dealings and expenses.
- All transactions need to be at arms-length (no related party benefits).
- Tax consequences to employers for shares given to employees at below market value.

DATA MATCHING ON INSURANCE ASSET CLASSES

THE ATO HAS RECENTLY ANNOUNCED it is working closely with insurance providers to identify policy owners on a wider range of asset classes. These include:

- marine;
- aviation;
- enthusiast motor vehicles;
- fine art;
- thoroughbred horses.

The aim of the exercise is to more accurately estimate a taxpayer's wealth, with the view of implementing measures (most likely audits) to ensure taxpayers meet their tax obligations.

In January-February the ATO will issue formal notices to insurers to provide policy details. They expect to receive 100,000 records where the different asset classes meet certain threshold amounts.

WHAT IS BEING VALUED?

The following assets have very different meanings and therefore the value attached to each can be significant:

- ‘company’ or ‘entity’ value (where a legal entity other than a company is being valued);
- ‘business’ or ‘enterprise value’;
- ‘share’ or ‘equity value’ (where a part interest in a legal entity other than a company is being valued); and
- a parcel of shares or investor value.

In conducting a valuation, it is important to understand exactly what is being valued and the methodology used to determine the underlying value of the asset. Please let us know if you would like a valuation done on any of your business assets.

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