



SPRING 2008

Focus PG - Knowledge, Experience, Results

FocusPG has a brand new look. While we've retained our colours we have re-engineered our logo to better describe who we are and our purpose.

You'll notice our new logo is stronger...a solid launch pad with a series of steps aimed in an upward direction and it's supported by a simple statement - an equation of knowledge and experience, which together deliver results.

We are Focus Professional Group (FocusPG) and we are chartered accountants committed to excellence in accounting and business growth strategy with specialist services in auditing and retirement village consulting.

Our team of eleven accountants and four support staff provide all the benefits of a big city firm but with the close attention to detail of a boutique practice.

We make no apology for subscribing to traditional values - our professionalism is everything, although we hasten to add that it's not of the type that is stiff and impersonal. Far from it - our goal is to gain a close knowledge and understanding of our clients and their affairs.

FocusPG has practiced on the Sunshine Coast for 10 years.

Today owned by directors Allen Hertel and Rachael Stonier, each offers specialist accounting service in addition to strong general accounting for a wide

cross section of businesses, primarily in the small to medium (often multiple-entirety) family-owned segment.

Allen Hertel, a Forensic

Auditor has practiced for over 25 years.

He has extensive experience in audit, taxation and business services which includes business restructuring, financial analysis, fraud investigations, expert witness testimony and tax planning.

Co-director, Rachael Stonier has significant knowledge across all aspects of accounting particularly in business structuring and growth strategy.

Rachael has special interest in the retirement living and aged care industry providing specialist consulting which extends to providing "Partner" status for Aged Care Queensland and Retirement Villages Association Australia (RVA).

In this role, FocusPG provide advice for Aged Care Queensland and RVA members, major retirement industry stakeholders and other retirement industry associated professionals including lawyers, financiers and insurance consultants and business brokers.

For more information about our menu of services and to read the professional profiles of the FocusPG directors and senior accounting team please visit:

www.focuspg.com.au



Identify & Share your KPIs

When you identify key business drivers you can significantly improve your results. Key Performance Indicators (KPIs) can and should be used as a management and growth tool in all businesses - no matter what type or size.

Share KPIs with your team and in the process explain how making changes and improvements in particular areas can generate improved income and profit levels. Graphs showing actual and projected income when KPIs are

considered can provide the direction and motivation your team needs to generate more income and profit for you. If you need help identifying and implementing a KPI strategy, please contact your FocusPG accountant.

Welcome

As you can see we have re-branded and the changes are very much part of the process of remaining invigorated for our continued and long term success. We can assure you that we are feeling as fresh and strong as our new logo.

FocusPG is a successful accounting practice AND a successful business. While we take care of our clients' businesses we also ensure that we properly attend to our own. As directors we take a personal interest in our clients, we're hands-on but we continually work ON our business, not just IN it.

Success involves more than crunching numbers and today more than ever, accounting practices are about people, effective communication, finding solutions, celebrating success and generally enjoying each and every day in the workplace.

We consider ourselves a 'boutique' firm. We're not particularly small, but we remain 'smaller' by design so that we may offer a complete and extensive package of client services, delivered with personalised professional service.

Your FocusPG Team

Comedy for Accountants

By Cindy Womack, Piece of Mind Personnel Consultants

When you think of team building activities, learning to be a comedian doesn't readily come to mind and it's completely unexpected for a group of accountants. But that's just what the FocusPG team did for their 2008 Annual Team Building Day. Talk about asking them to step out of their comfort zones!

There are two categories to be considered when designing a team building program - productivity and positivity.

Productivity is about setting goals and quantifying outcomes, something accountants know quite a bit about, but the 'positivity' or 'personality' factors can sometimes be overlooked but are equally important.

This is my third year coordinating the Annual Team Building Day and I've seen many changes and developments in this group. This year I wanted to challenge them with something unique, and that would zero-in on developing the 'positivity' factors.

Introducing professional comedian, Mandy Nolan provided guidelines for an enormously successful FocusPG team event that had them laughing their way through the process.

Starting with easy exercises Mandy manoeuvred the group through many different skills - the outcome, a three to four minute comedy routine at the end of the day. The results were hilarious, and all the while each team member learned important things about one another and growing as a professional team.



While no one has given up their day job (yet), the FocusPG team did manage to put their considerable fears aside to be overwhelmingly surprised by the high level of comic presentation displayed by everyone involved.

The process fostered respect, empathy, an understanding of personal strengths and the impact of effective communication skills.

Breaking down barriers and forging good communication are essential for conducting quality business. The FocusPG team continually proves that team building activities are a method for highlighting the importance of these ingredients and when mastered it is the transfer of these skills to the corporate arena which delivers not only a happy working environment but sound relationships with clients.



Staff Profile Beth Hoffman

With more than 10 years accounting experience both here and overseas, Beth Hoffman brings experience, depth and breadth of knowledge to FocusPG business clients.

With special interest in retirement village consulting, Beth utilises her vast accounting resources and practical hands-on approach to provide solutions for retirement villages. Beth also works

closely with family-owned entities understanding the particular business requirements of this sector to provide proactive growth strategies and taxation advice.



Retirement Industry Consulting

by Rachael Stonier

A couple of years ago, sweeping changes were made in the retirement village industry and the fallout has been that nearly all existing retirement village structures have been forced to change or upgrade their systems in order to comply with the law.

For me retirement villages are familiar territory.

As a young accountant I was employed by an entrepreneur who owned a string of retirement villages and this rare set of circumstances provided skills, which now present as a much needed specialty for a rapidly growing market sector.

With the benefit of a strong understanding of the 2006 Parliamentary Act and an intimate knowledge of how each division of a

retirement village interacts with one another, we've developed a complete retirement village consulting service which covers not just compliance issues, but provides practical assistance for administration and operational functions making everything easier and more efficient.

The demand is considerable and as a result we have gathered together a team of experienced accountants who provide real solutions delivered in plain English. For retirement village operators and their staff, we provide the skills for them to move forward quickly and in accordance with legal requirements.

In addition to day to day management advice and guidance, our service covers the complex issues of retirement village

and aged care accounting including accommodation bond levels and deferred management fees as well as corporate governance including business structuring and strategic planning.

Additionally, we have assembled a network of specialist professionals – quantity surveyors, financiers, and lawyers who specialise in the retirement village sector providing a comprehensive advice package for retirement village start-up, expansion and acquisition projects.

For more information please give us a call or visit www.focuspg.com.au.



Remaining Solvent

By Andrew Saw, Manager

From someone who knows, let me tell you insolvency is stressful, time consuming and usually avoidable, but there are specific underlying causes for business failure and they include, but are not limited to, the following:

Poor management – a manager with a dominating character, no proper segregation of duties, and whose performance is not strategically administered;

Inadequate financial control – poor systems, meaningless data, no budgets, no management accounts, no key performance indicators;

Competition – the business is unable to respond to product competition, there are price sensitivities and growth constraints;

Cost structure – failure to recover costs, pricing issues, eroding capital, and escalating debt pressures and if costs cannot be met from revenue, the business is ultimately not sustainable;

Market demand – an inability to predict trends in the marketplace, cyclical declines, shifts in consumer patterns;

Marketing – costly and ineffective, an inefficient and unmotivated sales force who are unable to meet customer expectations and provide inadequate service;

The big project – failing to diversify, underestimation of costs, little room for error;

Expansions / acquisitions – increased working capital and funding requirements not carefully assessed, over trading;

Financing – financing must be appropriate for the type of business. Ideally, equity funding should provide any core funds necessary. Debt funding and cost of debt needs to be appropriate. (Inappropriate examples include short term debt to fund a long term asset, mortgage lending when a

one-off debtor factoring arrangement may have been required).

Insolvent trading puts directors' assets at risk. Assets which have been accumulated during the period in which he or she operated the company, as well as those accumulated pre and post running the company.

The point is, the potential of "insolvent trading" is very real and it is important to be alert to changes, have a plan of action and as directors ensure you have adequate structure to protect your lifestyle if your company is forced into insolvency. For more information about protecting yourself and business from insolvent trading please contact FocusPG.

To read Andrew Saw's professional profile visit www.focuspg.com.au



Superannuation Funds & Borrowing (SMSF)

By Allen Hertel



From September last year, Superannuation legislation changed to allow SMSFs to borrow to acquire assets.

This sounds great in theory and it is a positive move, however it is not quite as simple as you may first think or

as some lending institutions may be promoting. It is important to note that the basic principles of protection of super fund assets still apply.

The conditions that must be met to allow the borrowing are as follows:

- The borrowed money must be used to acquire an asset that the SMSF is otherwise permitted to acquire and own.
- The asset must be held in trust and SMSF must receive a beneficial interest in it. The SMSF must have the right (but not the obligation) to acquire legal ownership of the asset by making one or more payments. The right of the lender against the SMSF on default under the loan and the security must be 'non recourse' – that is, they must be limited to the SMSFs interest in the asset and there must be no right for the lender to recover against the SMSF other assets.
- The asset is held in trust for the SMSF; the holder of the asset is called The Custodian. The Custodian cannot be the current trustees of the SMSF, but it can be a

member of the fund. In relation to interest rates, commercial interest rates must apply to all such borrowings, in varying states there may be issues with stamp duty that would need to be investigated before going into such arrangements.

- At this stage it is not permitted for existing assets of the SMSF to be simply refinanced under the new arrangements. The Lender can be a related party to the SMSF and/or a member. The Trustee of the SMSF would also need to make sure that the SMSF trust deed allows the SMSF to borrow under these arrangements. And of course, the investment strategy of each fund needs to be reviewed to ensure that it allows such investments as well.
- At the end of the loan or when the loan is paid out, the asset would be transferred from the Custodian to the SMSF. Under current legislation there is no Capital Gains Tax issue on the transfer from the Custodian to the SMSF of the asset after the loan is paid out.

There are a number of other technical issues which must be considered and this arrangement may not suit all funds. However there are still some significant advantages for SMSF and their members utilising these arrangements and they are certainly worth considering for all our clients with SMSF.

For more information about how this situation may relate to your particular situation please call your Focus PG advisor.

Professional Investment Services



To complete our client services package we have created an alliance partnership with Professional Investment Services Maroochydore.

Andrew Butterworth AFPA, Dip FP, F Fin will work in our offices each Tuesday providing specialist support for our own team and coordinating clients' investment planning, superannuation and insurance services. Andrew is well experienced with over 35 years in the financial services industry and is an Authorised Representative of Professional Investment Services Pty Ltd (AFSL 234951). To make an appointment to see Andrew, please contact our office.

For more information about Professional Investment Services Pty Ltd, please visit www.profinvest.com.au.

More than just numbers

When recruiting do you consider how the potential new staff member will 'fit' into your organisation or do you just look at their skill-set to make sure they can do the job?

Technical ability is one thing, whereas communication, enthusiasm and the desire to satisfy customers is something else completely.

Dysfunctional team members can prove costly to employers, while momentum gathers in a team of the right people – those with shared values and vision for achieving the objectives of your mission.

At FocusPG we are a dynamic, young and growing practice with a team focus. We value work – life balance and always ask candidates about out-of-work interests. We conduct personality profiles to identify winning characteristics so that we may to some extent, replicate qualities of future team players - those who are self-motivated, enjoy success and like to help others.



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