

CASH IN YOUR BUSINESS

The most important issue is summed up by
“You can Manage what you Measure”

Cash in your business

Account(able) Accountants is able to offer you better management and professional advice if you supply us with the correct numbers.

In recent years, the cash economy has become one of the ATO's largest compliance risk areas with many businesses identified as either under-reporting or failing to report income from cash transactions. One of the ATO's most significant initiatives in tackling the cash economy has been the introduction of “small business industry benchmarks”.

Clients who have taken our advice in accounting for all cash transactions have grown their business faster because they have banked all money and then made a choice on how they spend the dollars.

Clients have also seen the benefits when they go to sell their business, as they have the long term financial records to show the business profitability, so they can maximise their sale price.

(Usually Account(able) can significantly reduce any tax payable on the sale proceeds and profit, sometimes down to no tax payable).

Business people who bank all their cash get the following benefits.

Able To:

- Make better business decisions, based on more accurate and informed financial information, on areas such as:
 - Gross profit margins
 - Employee analysis, retention & new employee affordability
 - New asset and equipment affordability and cost review
- Afford superannuation
- Borrow more money, for business growth or personal wealth growth
- Receive better loan deals and interest rates
- Determine their spending habits
- Increase the value of their business on sale
- Improve their comfort zone (you never know who is going to take revenge and tell the ATO or Centrelink)
- Meet ATO and Industry benchmarks
- Avoid ATO audits - the ATO have announced they will be reviewing more businesses in the next few years, compared to the past twelve years since GST was introduced
- Get more referrals
- Not lose your money to theft

The last three years have demonstrated how the large cash economies of Europe have been the most affected during the Global Financial Crisis.

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