



**TAXATION ESTIMATE
FOR THE PERIOD ENDED
30 JUNE 2019**

DISCLAIMER

The taxation estimate has been prepared on the basis of information provided by the client. The report is intended for internal tax planning purposes and represents a "What if scenario". It does not necessarily represent real or intended transactions.

CollinsMoore have not performed any tests to verify or validate any of the information provided by the client and accordingly express no assurance as to the outcome indicated.

To the extent permitted by law we do not accept liability for any loss or damage which any person, other than the client may suffer arising from any negligence on our part. No person should rely on the Taxation estimate without having a full review or audit conducted on the data.

Superannuation

Provision of Advice is guided by legislative requirements to be provided in a Statement of Advice. Any and all comments regarding Superannuation are not to be taken as advice rather than statement of factual information about the situation. The statement is not a recommendation to take any action unless that action is required by law. The clients personal situation has not been considered in providing the information. Any action to be taken in relation to the information provided, should take into account the clients personal situation and consideration must be given as to whether action will be appropriate for the clients' objectives and needs. Specific Contribution amounts and SMSF product advice can only be provided under a Statement of Advice by a AFSL Holder.


Collins Moore
Chartered Accountants

29-4-2019

July 2018 to June 2019

	Jul-Dec-18 Actual	Jan-19 Actual	Feb-19 Actual	Mar-19 Actual	Total Actual	Apr-19 Budget	May-19 Budget	Jun-19 Budget	Adjustments Budget	Ref	Total Budget
Income											
Opening Stock - Cattle	-\$41,223.13	\$0.00	\$0.00	\$0.00	-\$41,223.13						-\$41,223.13
Sales - Cattle	\$0.00	\$0.00	\$19,379.44	\$0.00	\$19,379.44	\$72,220.41					\$91,599.85
Purchases - Cattle				-\$16,000.00	-\$16,000.00						-\$16,000.00
Closing Stock of Cattle									\$41,001.00		\$41,001.00
Wheat	\$2,725,547.75	\$100,231.25	\$127,905.45	\$1,154,252.87	\$4,107,937.32	\$0.00					\$4,107,937.32
Total Income	\$2,684,324.62	\$100,231.25	\$147,284.89	\$1,138,252.87	\$4,070,093.63	\$72,220.41	\$0.00	\$0.00	\$41,001.00		\$4,183,315.04
Plus Other Income											
Flores Rd Rent Income	\$0.00	\$5,119.66	\$0.00	\$7,051.35	\$12,171.01				-\$12,171.01		\$0.00
Interest Received	\$3,700.55	\$0.00	\$3,188.12	\$0.00	\$6,888.67				-\$3,188.12		\$3,700.55
Other Income	\$2,661.76	\$0.00	\$0.00	\$0.00	\$2,661.76						\$2,661.76
Rebates - Fuel	\$13,799.00	\$0.00	\$15,922.00	\$0.00	\$29,721.00	\$783.00					\$30,504.00
Sale of Plant & Equipment	\$0.00	\$27,272.73	\$0.00	\$20,000.00	\$47,272.73	\$220,000.00			-\$267,272.73		\$0.00
Total Other Income	\$20,161.31	\$32,392.39	\$19,110.12	\$27,051.35	\$98,715.17	\$220,783.00	\$0.00	\$0.00	-\$282,631.86		\$36,866.31
Less Operating Expenses											
Accountancy Fees	\$8,549.50	\$0.00	\$0.00	\$0.00	\$8,549.50	\$5,000.00			-\$2,225.00		\$11,324.50
Assets Less Than \$20,000- 30K	\$10,737.18	\$7,272.73	\$0.00	\$0.00	\$18,009.91		\$7,000.00	\$20,000.00			\$45,009.91
Bank Charges	\$3,255.50	\$434.65	\$393.56	\$749.65	\$4,833.36	\$420.00					\$5,253.36
Contract Work	\$0.00	\$6,525.00	\$0.00	\$6,986.00	\$13,511.00			\$5,000.00			\$18,511.00
Crop Insurance	\$0.00	\$21,577.42	\$0.00	\$0.00	\$21,577.42						\$21,577.42
Depreciation	\$90,663.00	\$0.00	\$0.00	\$0.00	\$90,663.00				\$147,283.00		\$237,946.00
Diesel Fuel	\$46,625.48	\$0.00	\$0.00	\$2,380.73	\$49,006.21		\$20,000.00	\$28,000.00			\$97,006.21
Electricity	\$2,280.64	\$0.00	\$535.32	\$1,145.22	\$3,961.18						\$3,961.18
End Point Royalties - Grain	\$0.00	\$761.25	\$966.55	\$9,892.00	\$11,619.80						\$11,619.80
Fees, Licence & Permits	\$3,351.53	\$456.25	\$1,194.35	\$1,050.25	\$6,052.38	\$289.00					\$6,341.38
Fertiliser	\$0.00	\$0.00	\$0.00	\$131,293.75	\$131,293.75	\$60,926.00	\$25,000.00	\$50,000.00			\$267,219.75
Flores Rd - Expenses	\$0.00	\$0.00	\$0.00	\$3,043.79	\$3,043.79				-\$3,043.79		\$0.00
Fodder shed - outright deductible	\$47,653.23	\$0.00	\$0.00	\$0.00	\$47,653.23						\$47,653.23
Freight & Cartage	\$190,876.04	\$0.00	\$999.00	\$9,090.27	\$200,965.31	\$11,789.64		\$4,000.00			\$216,754.95
Gov Stamp Duty	\$0.00	\$0.00	\$0.00	\$2,622.69	\$2,622.69						\$2,622.69
Government Levies - Grain	\$0.00	\$963.84	\$1,230.34	\$11,019.33	\$13,213.51						\$13,213.51
Income Protection Ins - Michael	\$0.00	\$186.68	\$186.68	\$186.68	\$560.04	\$186.00	\$186.00	\$186.00			\$1,118.04
Insurance	\$1,688.92	\$0.00	\$0.00	\$23,919.31	\$25,608.23	\$3,495.00					\$29,103.23
Interest Expense	\$440.53	\$0.00	\$0.00	\$0.00	\$440.53						\$440.53
Motor Vehicle Expenses	\$48.89	\$0.00	\$0.00	\$0.00	\$48.89						\$48.89
Office & Stationery	\$1,102.90	\$0.00	\$90.91	\$0.00	\$1,193.81						\$1,193.81
Petrol Fuel	\$0.00	\$0.00	\$0.00	\$222.19	\$222.19						\$222.19
Protective Clothing	\$0.00	\$0.00	\$72.72	\$72.72	\$145.44						\$145.44
Rates (Council, Shire & Water)	\$26,343.22	\$0.00	\$0.00	\$0.00	\$26,343.22						\$26,343.22
Receival fee	\$26,733.62	\$41,346.59	\$0.00	\$0.00	\$68,080.21						\$68,080.21
Rent/Lease Expense	\$0.00	\$0.00	\$1,287.17	\$0.00	\$1,287.17				\$20,000.00		\$21,287.17
Repairs & Maintenance	\$19,972.63	\$1,602.29	\$2,852.85	\$8,960.49	\$33,388.26	\$5,071.06	\$5,000.00				\$43,459.32
Repairs & Maintenance - Machinery	\$0.00	\$0.00	\$2,000.27	\$1,622.75	\$3,623.02		\$10,000.00	\$5,000.00			\$18,623.02
Seed Expenses	\$25,640.82	\$0.00	\$0.00	\$0.00	\$25,640.82						\$25,640.82
Soil Conservation	\$400.00	\$0.00	\$0.00	\$0.00	\$400.00	\$17,774.00					\$18,174.00
Spraying & Chemicals	\$38,289.80	\$0.00	\$0.00	\$0.00	\$38,289.80		\$25,000.00	\$50,000.00			\$113,289.80

Stock Expenses	\$593.27	\$0.00	\$2,412.49	\$250.00	\$3,255.76					\$3,255.76
Stock Selling Costs	\$1,723.50	\$0.00	\$1,273.10	\$0.00	\$2,996.60					\$2,996.60
Stores Workman	\$0.00	\$0.00	\$273.64	\$110.20	\$383.84		\$500.00			\$883.84
Subscriptions	\$217.63	\$45.45	\$0.00	\$164.64	\$427.72	\$168.00				\$595.72
Superannuation Expense	\$0.00	\$649.80	\$0.00	\$0.00	\$649.80			\$550.00		\$1,199.80
Telephone & Data	\$1,183.24	\$381.77	\$154.50	\$59.05	\$1,778.56	\$240.00				\$2,018.56
Travel & Accomodation	\$0.00	\$0.00	\$0.00	\$170.53	\$170.53					\$170.53
Wages	\$11,520.00	\$0.00	\$0.00	\$0.00	\$11,520.00			\$6,000.00		\$17,520.00
Total Operating Expenses	\$559,891.07	\$82,203.72	\$15,923.45	\$215,012.24	\$873,030.48	\$105,358.70	\$92,686.00	\$168,736.00	\$162,014.21	\$1,401,825.39
Net Profit	\$2,144,594.86	\$50,419.92	\$150,471.56	\$950,291.98	\$3,295,778.32	\$187,644.71	-\$92,686.00	-\$168,736.00	-\$403,645.07	\$2,818,355.96

NOTES

Jul-Dec numbers are from Agrimaster

Any interest to come on cheque account? Balance \$1.6m at 04-04-19

\$20,000 rent to Genet

Need log book for Jenni's new Toyota Kluger - Jenni has started in April 2019

Any further capital expenditure before June?

Insurance higher this year - almost double?

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FLORES RD										
Flores Rd Rent Income	\$25,086.59	\$5,119.66	\$0.00	\$7,051.35	\$37,257.60			\$12,000.00		\$49,257.60
Less:										
Accounting Fees										-\$2,225.00
Insurance										-\$3,043.79
Repairs & Maintenance										
Special Building W/Off										-\$14,000.00
	\$25,086.59	\$5,119.66	\$0.00	\$7,051.35	\$37,257.60	\$0.00	\$0.00	\$0.00	\$12,000.00	\$29,988.81

Flores Rd rent is entered as net banked so no estimates for expenses paid through rental agent
Rent decreased massively since last year (\$160k gross last year, \$110,386 net from rental agent)

Livestock Trading Statement

Value of Closing Stock			
Opening Stock	223		41223
<i>Purchases</i>	2		16000
<i>Natural Increase</i>	100	20	2000
	325		59223
			182.22

2019 OBR100 INCOME PROJECTOR - GM & JA OBRIEN.xlsx

Comments

Superannuation Contributions

As per discussions with your Financial Planner

For the 30 June 2019 you are depositing the following Superannuation Contributions

Geoff	25000
Jenny	24000
	<u>49000</u>

We note Jenny's is slightly less to adjust for Contributions from teaching

We will further provide information to Richman Wealth for them to discuss further LUMP Sum Non- Concessional contributions for you.

Geoff	1000000	Please don't make these payments until Richman Wealth do their Statement of Advice (This is just our provision information to them)
Jenny	1250000	
Total	<u>2250000</u>	

Contribution Caps

* Total Super Balances as at 30/06/2018. This is per individual across Funds within a firm

Contribution Type	Contributions	Cap	Current Position
Concessional	0.00	25,000.00	\$ 25,000.00 View
Non-Concessional	0.00	100,000.00	\$ 100,000.00 View
Concessional	0.00	25,000.00	\$ 25,000.00 View
Non-Concessional (Bring Forward Cap triggered)	0.00	540,000.00 (until 30/06/2019) 100,000.00 (until 30/06/2019)	\$ 125,000.00 View

Income Protection

Jenny is to forward Michaels Income protection documents for David Meek to review and comment on

FMD - Farm Management Deposits

To be placed in the month of June 2019

Geoff	\$ 360,000
Jenny	\$ 360,000
Michael	\$ 360,000
Amy	\$ 50,000
	<u>\$1,130,000</u>

You have already placed 750 000 in February

NO FMD'S are to be withdrawn prior to the 30 June 2019

Logbook

Jenny to provide a new log book for her Toyota

Payments from the Farm (Family Trust)

Prior to June 2019 Jenny is going to make payments from the farm to reduce outstanding debts to Beneficiaries

Genet	\$ 60,000
Stef	\$ 100,000
Elizabeth	\$ 50,000
	<u>\$ 210,000</u>

Please call in July to see if the cashflow is holding up to do another payment of

Stef	\$ 50,000
Elizabeth	\$ 50,000
	<u>\$ 100,000</u>

Payroll

Can you send through the pay information for Amy's brother so that we can enter that into Xero for Wages for 2018/2019

Single Touch Payroll (STP) – xero

The ATO has made Single Touch Payroll Mandatory from 1 July 2019 for ALL employers no matter what size payroll you have

All employers will need to ensure that they have compliant Software and are lodging their payroll information each time pay is processed. Each STP filing includes all year-to-date payroll information and will mean the removal of PAYG Certificates for Employees. (You may still generate and give them to employees)

Xero is STP compliant as long opt in to the system and process wages through their payroll function.

TAXATION ESTIMATE V1

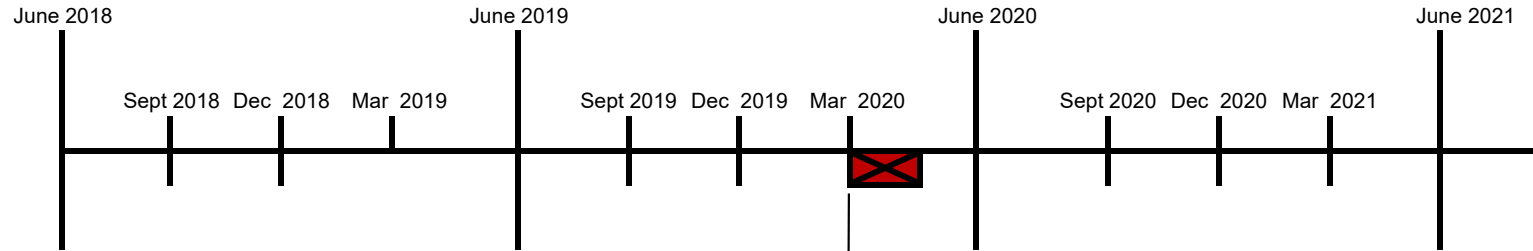
	Family Trust	Partnership	GEOFF	JENNI	MICHAEL	AMY	ELIZABETH	STEFANIE	GENET	TOTAL INDIVIDUAL
PROFIT RATIO	50%		25%	25%						50%
PRIMARY PRODUCTION INCOME										
PARTNERSHIP INCOME:	1,407,500	2,815,000	703,750	703,750	0	0	0	0	0	0
M O'Brien Family Trust -Distribution	(1,407,500)		115,000	115,000	787,500	90,000	140,000	130,000	30,000	1,407,500
Other Income										
Less Farm Mgt - Deposits			(250,000)	(250,000)	(250,000)					(750,000)
Less Farm Mgt - Deposits - to Max			(360,000)	(360,000)	(360,000)	(50,000)				(1,130,000)
Less Farm Mgt - Withdrawals			0	0	0			0		
Less Primary Production Deductions										
Super			(25,000)	(24,000)						
NET PP INCOME	0		183,750	184,750	177,500	40,000	140,000	130,000	30,000	886,000
OTHER INCOME										
PARTNERSHIP INCOME:	0		0	0	0	0	0	0	0	0
M O'Brien Family Trust -Distribution	0									0
Salary				500		67,000	38,000	50,000		
Interest			2,000	2,000	300		600		8,000	
Interest - FMD			2,466	2,466	2,466			2,466		
Dividends - Unfranked										
Dividends - Franked			2,000	300	1,000				3,700	
- Imputation Credits - Divs above	0		857	129	429	0	0	0	1,586	3,000
Other										
Farm Rent Mullewa									20,000	
Flores Rd - O'Brien FT									30,000	
Less Deductions										
Work Related						(700)	(800)	(600)		
Net Other Income	0	0	7,323	5,395	4,195	66,300	37,800	51,866	63,286	3,000
TOTAL TAXABLE INCOME										
	0	0	191,073	190,145	181,695	106,300	177,800	181,866	93,286	1,122,164
AVERAGE DETAILS										
PRIME PRODUCTION PRIOR YRS			4	4	4		4	4		
Total Previous 4 Yrs			378,150	388,295	381,791		430,693	379,434		
Total Previous 5 Yrs			569,223	578,440	563,486	106,300	608,493	561,300	93,286	
Average This Year			113,845	115,688	112,697	0	121,699	112,260	0	
Tax On Average			29,620	30,302	29,195	0	32,525	29,033	0	
Rate This Year			26.02%	26.19%	25.91%	0.00%	26.73%	25.86%	0.00%	
Tax At Average Rates			49,712	49,804	47,069	0	47,519	47,035	0	
PRIMARY TAX			59,080	58,662	54,860	26,828	53,283	54,937	22,013	
MEDICARE 2%			3,821	3,803	3,634	2,126	3,556	3,637	1,866	
REBATE \ COMPLIMENTARY TAX			(9,140)	(8,822)	(7,790)		(4,538)	(5,648)		
			53,762	53,643	50,703	28,954	52,301	52,926	23,878	316,167
LESS CREDITS										
Less PAYG W										
Less Assumed Tax On Beneficiary Return						(14,421)	(4,588)	(8,590)		
Less TFN Credits										
Less Franking Credits			(857)	(129)	(429)	0	0	0	(1,586)	
Other Rebates										
Less Other										
Total Credits			(857)	(129)	(429)	(14,421)	(4,588)	(8,590)	(1,586)	(30,599)
Net Tax			52,905	53,515	50,274	14,533	47,713	44,336	22,293	285,568
Tax Instalment 1 - Sept									(5,418)	(5,418)
Tax Instalment 2 - Dec									(9,242)	(9,242)
Tax Instalment 3 - Mar			(22,198)	(23,368)	(23,106)	0	(23,447)	(21,518)	(7,330)	(120,967)
Tax Instalment 4 - June			(7,447)	(7,908)	(7,805)	0	(7,823)	(7,177)	(7,331)	(45,491)
Tax Instalment 4 - June - Variation Down by										0
Total Instalments			(29,645)	(31,276)	(30,911)	0	(31,270)	(28,695)	(29,321)	(181,118)
Tax Payable/(Refundable)			23,260	22,239	19,363	14,533	16,443	15,641	(7,028)	104,450
Superannuation Placed			25,000	24,000						
Tax Thereon			3,750	3,600	0	0	0	0	0	7,350

Note this is a guide only and may vary due to actual transactions

Liability limited by a scheme approved under Professional Standards Legislation

Current Year **2019** Tax Time Line

You are Here



GEOFF	0	0	22,198	7,447
JENNI	0	0	23,368	7,908
MICHAEL	0	0	23,106	7,805
AMY	0	0	0	0
ELIZABETH	0	0	23,447	7,823
STEFANIE	0	0	21,518	7,177
GENET	5,418	9,242	7,330	7,331
PAYG Instalments of Tax for 2019	\$ 5,418	\$ 9,242	\$ 120,967	\$ 45,491

Lodgement of Returns

These are the **CURRENT YEARS**
Income Tax payments

On Lodgement you pay these amounts

GEOFF	23,260
JENNI	22,239
MICHAEL	19,363
AMY	14,533
ELIZABETH	16,443
STEFANIE	15,641
GENET	(7,028)
	\$ 104,450

Balance of Tax to pay 2019 when we lodge your returns

GEOFF	22,500	30,500
JENNI	22,500	30,500
MICHAEL	22,500	27,500
AMY		3,750
ELIZABETH	22,500	27,500
STEFANIE	22,500	27,500
GENET	7,500	7,500
PAYG Instalments of Tax for 2020	\$ 7,500	\$ 7,500
	\$ 120,000	\$ 147,750

These are the **NEXT YEARS**
Income Tax payments

The Balance of tax for this year
is **UNKNOWN**

Grain Sales

There are multiple methods to deliver your grain. Some are taxable in the current year and some sales are deferred to next year

TAXABLE IN CURRENT YEAR

- 1) Sales of Grain for Cash
- 2) Sales of Grain on a delivery contract to satisfy a Fertilizer or Spray contract. No Cash received but is used to reduce debt incurred at a earlier date
- 3) Sales of Grain to another Grower and they pay you NOW or after year end
- 4) **Grain on hand - Silo**
Taxable in the current year as value of the lower of Cost or Market Value
Costs is determined as the costs to sever the crop Approx 1/3 of the Mkt Value
(Note the 1/3rd method is only a rule of thumb)
- 5) **Warehoused Grain**
Warehoused grain is still owned by you and is treated as Grain on Hand
- 6) **Deferred Payment Contracts (NOT the same as Deferred Delivery Contracts)**
Deferred Payment Contracts are an arrangement to buy the grain at harvest with proceeds paid at a later time (Usually July)
The Grower has sold the grain at Harvest time and a Debtor is created

TAXABLE IN NEXT YEAR

- 1) **Sales on a Deferred Delivery Contract**
A deferred Delivery Contract is where a grower agrees to a price at harvest but the grain is delivered in the future. Title in the Grain passes at the time when the grain is nominated to be delivered. Usually after year end
Note that as the Grain is ON hand at 30 June the grain is to be valued as Stock on hand
See (Grain on hand Above)

POOLING OF GRAIN (Rare in current Markets)

- 1) Pooling of Grain is where the grain is delivered to a Grain Wholesaler and you have lost Dispositive power over the Stock. The Grain is sold in a pooling arrangement and you have not agreed a price
The Grain is NOT STOCK ON HAND and is NOT INCOME till you receive the CASH

Dispositive Power

The Ability to control and dispose of stock

A taxpayer is considered to have a power of disposition over the trading stock, even though not able to give immediate possession (i.e. warehouse)

IT Rulings 2670 Farnsworth Vs FCT

Cash Vs Accruals

Farmers are subject to Accruals accounting (just like all business) on their income.
I.e. they declare income at the date a sale occurs and not the date the cash is received

Note this is not the same as GST. GST can be declared on Cash or Accruals and is related to levels of turnover or choice

Simplified Taxation system (Grandfathered)

Under the old STS (Simplified Tax System) Accounting Method farmers could declare income on a cash basis. However the STS system was removed on 1 July 2005

If you used the STS before 1 July 2005, you had to use the STS accounting method. After this time you could choose whether or not to continue with the STS accounting method.
For the 2007-08 and later income years, the STS has been replaced by the small business provisions.

You may only continue using the STS accounting method if all of the following apply:

- * you have been using the STS accounting method continuously since before 1 July 2005
- * you were in the STS in 2006-07
- * you are a small business from 2007-08 onwards.

If you meet these three requirements, you can continue using the STS accounting method until you choose not to, or you are no longer a small business

Note that many business failed to remain a small business due to

Turnover exceeding \$2 Million in any given year

Change of Entity or Partnership during the period 2005 to now