



Advantage
GROUP

***“Realise your Dreams
with The Advantage Group”***



- **FINANCE**
- **ACCOUNTANCY**
- **PROPERTY INVESTMENT**

Take control of your finances today!



“Realise your Dreams with *The Advantage Group*”



Terry Andrews
Managing Director

Welcome to the Advantage Group

It was my ambition to set up a Group of Companies that would assist average people like myself to develop strategies for them in wealth creation and retention.

We now have together, under the one banner of “Advantage”, professional advice linked to our individual managers whose desire it is to be advisors for life to our clients.

Grant Renshaw, our Senior Lending Manager and Director of **Advantage Finance (SA) Pty Ltd** has vast experience in the financial field, in particular the areas of home loans, refinancing and investment.

Tina Barresi is a fully qualified Accountant and has worked for the last 14 years in the specialized field of asset protection, business development and taxation minimisation. Tina is the Senior Accountant and Director of **Advantage Accountants (SA) Pty Ltd**.



Advantage Property Investment Pty Ltd is for those who want to invest in property but who perhaps do not have the time to attend to the details of a rental property personally.

It is our vision that the Advantage Group becomes your one stop office for assistance in any financial matter. First time investors are a particular focus.

Terry Andrews

What's Been Happening in the Real Estate Market...

Rental Properties

Investors in rental properties are reminded that there continues to be an ATO focus on taxpayers declaring income and expenses with respect to their investments.

Some issues to keep in mind:

- A distinction needs to be made between repairs and maintenance expenditure. Repairs and maintenance essentially make good the wear and tear of the use of the property by tenants and is fully deductible. Capital expenditure is generally improvements or replacements of an entire asset that is part of the property (eg an entire fence) and will be depreciable over a number of years.
- Deductions may need to be pro-rated if the property was used for private purposes during the year (eg used as a holiday house) or was not available for rent for any part of the year.
- If the property has been both your primary residence and a rental property during the period of ownership, the rules associated with the primary residence exemption for CGT (which can be complicated) will need to be carefully considered on disposal of the property.
- If you carry out any substantial renovations or property development, the activities may constitute the carrying on of a profit making scheme for tax purposes, which can result in any gains on disposal being considered ordinary income rather than capital gains (meaning you will lose the benefit of the 50% CGT discount).
- Take care with deductions being claimed for interest expenses. If new loans are drawn against a property, the use of those new funds will generally need to be for investment purposes in order for the interest component to be tax deductible against the income of that new investment.

If you need any clarification of these points please contact us.



Advantage Finance (SA)



Grant Renshaw
Senior Lending
Manager

This newsletter is designed to give you, as a valued client, an up to date overview on what is available through our innovative product range and advise you of changes in the marketplace.

The South Australian marketplace has gradually slowed over the past few months and further slowing is predicted over the coming year. Now is the time to look at your cash flow needs for the next 12 months and use your equity to its full potential. As the property market tightens up values of properties stabilise, meaning less accessible equity for you to use for your benefit. If you want to consolidate high interest debt, you need to add to your property portfolio. Or perhaps you plan to take that long overdue holiday with the family, whatever your financial goal, we can set a personalised workable strategy in place.

Low Doc Product

A big concern to the self employed is how difficult it is to raise funds, and the lack of confidence in the so-called LoDoc product. Advantage Finance (SA) has LoDoc products that allow you to access 95% of the current market value of your property. The key to LoDoc is flexibility and simplicity.

Advantage Finance (SA) has taken the challenge to guide clients through all their finance options that relates to their specific needs at the time. Part of this challenge is to maintain a constant understanding level with each client to ensure they are in full control of their direction and comfortable with their decisions.



Advantage Finance (SA) Online Calculators

Do you want to know the easy way to compare loans, check loan stamp duty or see what extra repayments will do for your finances?

Simple!

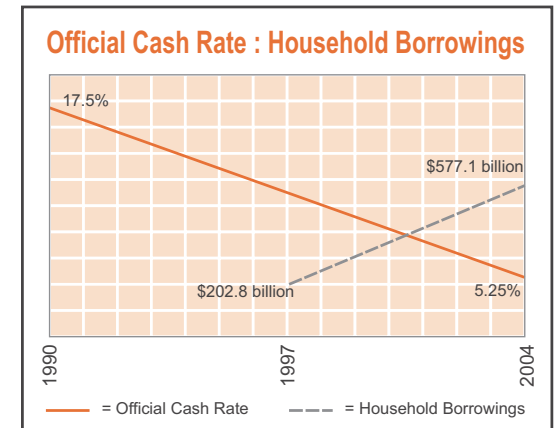
Go to the Advantage Finance (SA) website and we have eleven fully functional calculators online ready for you to use.

These calculators are interactive - you can adjust amounts, interest rates, terms whatever it is you want to know, and the calculators will give you the answers.

Using these interactive online calculators and our range of loan options, Advantage Finance (SA) can help you 'realise your dreams'.

Interest Rates

Interest rates have been decreasing for over a decade, and for the last few years Australians have enjoyed low interest rates – on 23 January 1990 the official cash rate was 17 to 17.5% and on 2 July 2004 the rate was 5.25%. As a result household borrowings are at a record high – in June 1997 Australians owed \$202.8 billion in housing and in May 2004 this figure had increased to \$577.1 billion.



What Interest Rate is Best for You...

- Your loan decision should be based on a mortgage product suited to your individual needs not on a type of interest rate.
- Ensure that an increase in interest rates is factored into your loan so you are not left short.
- You should be able to switch between interest rates over the loan term without having to refinance.

If you need further clarification, call us and we can discuss your requirements.



Keep up to date on the latest information at our new website.

With finance product information and our online calculators, this is one website you will want to bookmark and tell your friends about!

www.advantagefinancesa.com.au

(Not on the web? Call us today and we can show you person-to-person).

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Advantage Accountants (SA)



Nettina Baressi
Principal Accountant

Our latest development is to offer everyone the advantage of using Advantage Taxbak.

This is a 24 hour tax return service for all PAYG taxpayers. We offer the 24 hour refund service for those who require immediate refunds.

It is hard to believe that the end of the financial year for 2006 is fast approaching. Let's take this opportunity to make some financial tax decisions before the end of this fiscal.

Advantage Accountants (SA) Pty Ltd is now taking appointments for April Reviews. We review the current financial position of your business, and ensure that all tax decisions are made prior to the end of the financial year, this can save you thousands of dollars in tax.

Here are some tips to prepare for the end of the financial year.

BUSINESSES

CHECK POINTS

Collate all your financial records for the end of the year

- Back up of your data file
- Completed manual records to 30th June 2006
- Copy of your BAS statements, if we do not lodge for you
- List of your outstanding receivables and payables
- Bank statements for all loan accounts
- Closing Balances for any HP goods or leases as at 30th June 2006

ADVANTAGE TIPS

- Make any capital purchases now, before the end of the financial year.
- Take advantage of prepaying any Loans or HP arrangements for 12 months - this is fully tax deductible.
- Account for Stock on Hand at the 30th June 2006
- Make purchases that are needed before the 30th June 2006

BUSINESS PLANNING

- Set your business goals for the next 12 months - Identify your market areas to increase sales
- Prepare a Cash Flow Budget - Ring for an appointment if you need assistance. This enables you to monitor your business on a month to month basis, analysing your actual income and expenses against budget.

PERSONAL

CHECK POINTS

Ensure you have all financial records in order for completion of your tax return.

- Have you earned any Interest on any savings accounts?
- Any work related expenses are tax deductible
- All Self Education expenses are tax deductible
- Did you use your Motor Vehicle for work?
- Did you do any work from home - You can claim a proportion of your home office
- If you worked in a remote area, you are entitled to a rebate
- Did you have a baby in the 2005 year? Let us tell you about the baby bonus.

To allow Advantage Accountants (SA) Pty Ltd to maximise your refund, call for an appointment now!



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Stop Press!

Advantage Real Estate

Look for future news on our newest service, coming very soon.

Advantage Insurance & Super

Making a financial commitment can be enhanced with advice on insurance and superannuation options. For more information see our website or contact Grant Renshaw today.