

## MERRY CHRISTMAS

From the Partners and Team at Account(able)



As 2015 comes to an end we would like to wish all our valued clients a very Merry Christmas and a safe and happy New Year. It has been a pleasure working with you all throughout the year, and we look forward to doing it all again in 2016. We hope you manage to take a break over the festive season

and enjoy this time with your families. Embrace the New Year ahead with a fresh and positive outlook .

Our office will be closed from 5pm Wednesday the 23rd December and reopen on the 4th January 2016

### WHISKY, MARMALADE & MUSTARD GLAZED HAM RECIPE

Nothing says Christmas like a glazed ham and this one is both quick and easy. Perfect!



- 1½ cups (510g) orange marmalade
- ¼ cup (70g) Dijon mustard
- ½ cup (125ml) whisky
- ½ teaspoon sea salt flakes
- 5–6kg ham leg, skin removed and trimmed,
- cloves, to decorate

Preheat oven to 200°C (400°F).

Place the marmalade, mustard, whisky and salt in a saucepan over high heat and whisk to combine. Bring to the boil, reduce heat to low and cook for 5–7 minutes or until thickened slightly.

Strain and set aside. Use a small, sharp knife to score the ham in a diamond pattern and cover the hock with aluminium foil (this will prevent it from burning).

Place the ham on a lightly greased wire rack in a baking dish lined with non-stick baking paper. Push a clove into each diamond and brush ham with the glaze.

Roast for 35–40 minutes, brushing with the glaze every 10 minutes, or until the ham is golden and caramelised.

## ACCOUNTING NEWS



### CHRISTMAS PARTIES AND GIFTS

#### Tax Considerations

With Christmas fast approaching, business owners will be looking at organising gifts, meals or entertainment for clients or employees. The important tax issues to consider with these items are:

- i) The 49% Fringe Benefits Tax (FBT) implications for 2016/17 FBT years, and
- ii) Whether the cost is tax deductible to the business.

The ideal situation is being able to avoid 49% FBT but still claim the expense as a tax deduction. This only occurs for some items like 'non-entertainment gifts' to clients, and 'non-entertainment gifts' to employees that are under \$300.

Our next preference is for FBT to be exempt (so you avoid 49% tax), but you will not be able to claim the cost as a tax deduction. This can occur for employee Christmas parties with average cost per person is less than \$300, or client Christmas parties or meals, or entertainment gifts to employees (needs to be under \$300) or to clients. Our least preference is where there is 49% FBT payable, as the FBT is calculated on the 'ATO's grossed up' value of the expense (which usually doubles the actual expense, so when the 49% is calculated, a business's FBT liability is nearly a similar value to the actual expense). A summary of the main Christmas expenses for employees or clients (and their tax implications) are summarised below:

#### Employee Christmas parties

- If under \$300 per employee (minor benefit), no FBT but no tax deduction and no GST claimable.
- If over \$300 per employee, 49% FBT payable and

cost tax deductible and GST claimable.

#### Client Christmas parties

- No FBT payable and no tax deduction and no GST claimable.

**Gifts – that are not entertainment** (i.e. Christmas hamper, wine, voucher (i.e. Coles/Myer), perfume, flowers, etc.)

- To each employee, if under \$300 (minor benefit), no FBT and still tax deductible and GST claimable.
- To each employee, if over \$300, FBT payable and cost tax deductible and GST claimable.
- To clients or suppliers, no FBT and still tax deductible and GST claimable.

**Gifts – that are recreational entertainment** (ie tickets to an event, theatre, airline flights)

- To each employee, if under \$300 (minor benefit), no FBT but no tax deduction and no GST claimable.
- To each employee, if over \$300, FBT payable and cost tax deductible and GST claimable.
- To clients or suppliers, no FBT but no tax deduction and no GST claimable.

We are sometimes asked if we are able to help additional clients. Account(able) is a growing firm and do appreciate your referrals. We consider it a compliment when you recommend us to your friends and business clients.

### CHARITY OF THE MONTH

#### Country Fire Association (CFA)

As the weather heats up so does the risk of bush fires. With Bacchus Marsh surrounded by State and National Forest's we can never be too careful. This month Account(able) Accountants are proud to be raising money for the Country Fire Authority.

The CFA (Country Fire Authority) is a volunteer and community based fire and emergency services organisation protecting 3.3 million Victorians, and more than one million homes and properties across the state.

We recently saw large fires break out near Lancefield, be safe this summer and check your local Fire Danger Rating each day, keep an eye on the Fire Ready App for alerts and warnings and be prepared in and around the home. For more information on fire safety visit [www.cfa.vic.gov.au](http://www.cfa.vic.gov.au)