



Financial Solutions

YOUR ONE STOP FINANCIAL SHOP

1800 GO 2020

In conjunction with



accountants pty ltd



# Welcome to 2020 Financial Solutions

2020 FS is a one stop financial shop – we aim to provide a comprehensive range of financial services to individuals and small business clients throughout Australia.

The team is made up of Accountants, Solicitors, Financial Planners, Mortgage Brokers, Superannuation Administrators, Corporate Affairs Specialists Risk Insurance Brokers & SMSF Specialist Advisors.

Our offices are located in Newcastle in the vibrant cosmopolitan Beaumont Street area of Hamilton, over looking the deep blue of the Pacific Ocean in Merimbula on the far South Coast of NSW & at Jindabyne at the foot of the NSW Snow Fields. Our client base is broadly spread across Australia and ranges from Medical professionals to heavy industry, trades, retirees, retail stores and restaurants.

As a core aim we endeavor to create wealth for our clients through strategic financial advice, asset protection and tax minimization. The portfolio of services we offer is growing all the time, as we aim to recognize and respond to the changing needs of our clients.

2020 Financial Solutions is licensed to deal in and advise on a full range of financial products and investments through Professional Investment Services (AFSL No. 234951) Our statements of advice integrate quality investment advice with sound business planning, tax planning and superannuation planning strategies. This means that our clients pay the least amount of tax possible while maximising investment and business returns. Having accountants, solicitors and financial

planners working together in the one firm is reducing the duplication of effort often experienced by clients of other stand alone firms and enabling us to produce better and more timely results for our clients at a very competitive price.

2020 Financial Solutions concentrates on developing and implementing detailed Strategic Statements of Advice for our clients. We first focus on minimising an individual's or business income tax using legitimate planning techniques that are generally accepted by both the courts and the Australian Taxation Office.

2020 Financial Solutions in conjunction with Ellis Business Accountants also prepares financial accounts and income tax returns for our clients, but we see this as a secondary function, albeit a very important one. Our more important function is to improve our clients' wealth positions and ensure they avoid the many pitfalls that can destroy wealth, such as tax avoidance schemes and commission based managed investments.

We do not see ourselves as being in the business of the traditional gap filling role some accountancy and financial practices fall into. We are pro-active in our stance on leading our clients towards building better business' and a greater asset base for their families. It is for these reasons that we have adopted the statements of "wealth creation and lower tax are our bottom line " and our ability to service a clients total needs are reflected in " your one stop financial shop as our brand expression. Our toll free national phone number is 1800 GO 2020.

**Our mission statement is based on the desire to forge long term relationships with our clients through providing a combination of the best service and the right strategic advice.**

# The Self Managed Super Fund Advantage

2020 specialises in all facets of Self Managed Super Fund (SMSF) work. With the current changes to government legislation 'the best investment structure in town' has been made even more attractive.

SMSF's have specific advantages over other types of super.

You can transfer shares, managed funds and other suitable assets such as business real property into a SMSF in species. This strategy can be used to create a tax deduction in your own name, or that of your employing entity. It may also allow you to pull cash out of super as a direct 'contra'. This way you don't have to contribute just cash into super and you can fully leverage your equity.

## For our Client's – it's all about creating wealth

Almost all wealth creation is hype and involves high risks and high costs to get into. The old proverb that if it sounds too good to be true - it probably is;

However, the most effective form of wealth creation can come from simply taking advantage of the tax legislation that the regulators have made and combining it with a wealth creation vehicle that is your very own - ie a SMSF. This revolves around a simple system or process of choosing to hold your investment assets within superannuation.

Our strategy simply involves 'taking assets you already own from your left hand and simply putting them into your right hand'. By doing this your family could be up to three times better off financially.

You will also have opportunities to Estate Plan your family assets in a most tax effective way by using a SMSF as an inter-generational 'vehicle'.

Our focus is clearly based on extensively utilising Self Managed Super Funds for our clients to achieve better lower bottom line tax results and to maximise retirement benefits, Centrelink pensions and estate planning.

## Investing in Business Real Property through your SMSF creates the following advantages:

- Creates tax arbitrage as your business gets a tax deduction at a rate of at least 30% - whereas your SMSF is taxed at a maximum of 15% on income.
- Allows effective estate planning with a transfer of assets to next generation without stamp duty or CGT.
- Allows the business assets to be protected from creditors.
- Provides a method to access retirement benefits without loss of control over premises.
- Quarantine the future rate of CGT to 10% effectively or zero if paying a pension.

## The Triple SMSF Advantage

**Firstly** if you choose to contribute to superannuation the ATO will usually allow you or your employing entity a tax deduction up to your age based limit - this can be as much as \$200K each year for a couple aged over 50. Based on current tax rates. That's a potential \$63K a year less tax that you may have to pay in real terms (\$200K@31.5% tax reduction).

**Secondly** those assets within super will now be taxed at a very low rate between 10-15% on their investment return while the SMSF is in accumulation phase and at a zero tax rate (normally) once your SMSF is in pension phase - this includes all capital gains. Thus investment return will compound far quicker within super at a lower rate of tax. This means you receive more 'bang for your buck', and can accumulate wealth faster.

**Thirdly** when you eventually decide you want to change your lifestyle and work less hours or permanently retire, you can have a regular income stream flow from your own SMSF, in an often completely tax free manner, after considering rebates and the UPP of the pension. After age 60 no tax is paid on super withdrawal whether a pension or lump sum is taken.

# Business Tax Planning

## So Why Trade as a Trust?

If you're currently in small business and trading as a company and paying yourself wages - did you know you could be paying up to twice as much tax as most of our business clients who have opted to trade through discretionary trusts.

Trusts are entitled to the 50% Capital Gains Tax (CGT) Exemption on sale of assets, Companies are not. This means you would effectively pay twice as much income tax on any future sale of your business, if you trade as a Company.

CGT legislation changed dramatically back in 1999, and many businesses we provided advice to changed their setup from company to Trust trading structures to take advantage of tax concessions. Certainly if you have received advice to setup trading as a company after 1999 - you may be seriously disadvantaged through the poor quality of that advice.

Trading as a trust enables lower marginal tax rates to be used across many family members. Surplus

profit in a trust (on a year to year basis) can still be accumulated at the company tax rate if needed.

Trusts help to avoid stringent company Division 7A loans and FBT in some circumstances. They may help to lower workcare premiums as well.

Trading as a trust still gives as much asset protection as a company, as a company may be used as trustee of the trust.

Discretionary Trusts, often called 'Family Trusts' are completely legal and easy to setup through 2020 FS for less than you would think.

Discretionary Trusts are undoubtedly the trading entity choice for a family business - to find out more or for a confidential opinion on your current entity setup please contact us. The longer you trade as a company could mean the more downside of the goodwill or CGT tax obligations you are creating for your family.

## Risk/Life Insurance Reviews

If you don't have insurance we'll independently advise you of your needs and get you the best deal in the most tax effective way. Apart from the traditional Life Insurance - there are many other products that you can opt to purchase such as TPD, Trauma, Business Expense Insurance and Loan Protection that you may not be even aware exist. These products can give you much needed peace of mind for your family for a cost that is often affordable and tax effective.

If you're in business we can arrange for succession planning for your business and incorporate buy/sell agreements with key person insurance and ensure you and your family are covered. Our risk team is highly experienced and successful at putting together a suitable insurance package that you can't afford not to have.

Ask yourself - what would you rather lose if an incident was to occur - **your home or your mortgage?**



# Retirement Planning

Our philosophy for low risk financial success for clients is based upon the premise that over their working life they are given a fantastic opportunity to set themselves up for retirement, by making the correct strategic decisions. By holding non-personal investment assets in a SMSF you have at your finger tips the ultimate wealth creation strategy. A SMSF can really act as a tax free piggy bank.

We believe that prior to retirement you should be divesting yourself of most of your investment assets and contributing these into a SMSF. So at the point of retirement the only assets you would want to hold in your own name would be your home, your vehicle(s) and their other personal assets such as boat, caravan, furniture etc. All other investments should be held within super.

# Clever Super Strategies still allow Significant wealth to flow into Superannuation

The overriding influence on the Government is to encourage people to become self-funded retirees. This involves keeping the significant advantages that super provides. It is still possible for a couple to contribute up to \$1.1million dollars into super in one year. This is achieved through using \$450K each under the 3 year rule averaging provisions and \$100K each as a taxable contribution – either personally (if the 10% rule is satisfied) or through an employing entity. Interested?? Ask us for more details and personal advice as to whether you are eligible.

## You Can Now Borrow in your SMSF

Like to include real estate in your superannuation portfolio but don't have enough cash to make a decent property investment?

An opportunity now exists for you to be able to leverage into the property market Instalment warrants and to effectively turn your super into property.

Instalment Warrants are a form of limited-recourse borrowing, which have the effect of allowing funds to leverage their investments without breaching the prohibition on borrowing or pledging other assets of the fund.

Due to these recent government changes to the rules an investor can have just as much choice and control over investment properties inside as outside a superannuation fund.

You can Choose any kind of property including residential, commercial, retail, and holiday units.

Your SMSF can also purchase the real estate let for business purposes from a member or a related entity (ie this does not breach the in house asset rule under the SIS Act).

The beneficial owner of the real estate will be the SMSF.

The lender has no recourse to the other assets of the SMSF, providing the SMSF with absolute protection for its other assets.

In purchasing a property this way through your SMSF – CGT may be quarantined to a nil tax rate forever. So long as you don't sell the property until you are after age 55 – no lumpsum tax will be paid on the increase in value since it was purchased. This tax arbitrage is significant and should mean that for investors over age 45 a better result the negative gearing property in their own name can be made through a SMSF property borrowing.

We hold seminars on this topic regularly. Please contact us for further information.

## Key Strategists

### Nic Ellis



#### The principal of the group - Nic is a SMSF Specialist Advisor

Nic is an Authorised Representative of Professional Investment Services Pty Ltd AR No. 237618.

Nic is highly experienced in the area of tax planning for small businesses, asset protection restructuring and succession planning and estate planning techniques. Nic spends much of his time creating and administering advanced superannuation strategies using SMSFs, and setting up pensions and investment strategies for SMSF clients.

Nic's qualifications and memberships include Professional National Accountant (PNA), he holds a BA Comm and Dip FP, he is a Registered Tax Agent, practising member of SPAA (Self Managed Superannuation Fund Professional Association of Australia), and is an authorized representative of Professional Investment Services Australian and is a registered life broker and authorized Business Broker.

Nic is the driving force behind 2020 Financial Solutions and is continually striving to find new and unique strategies to save clients tax and create wealth for them.

Nic's interests outside of business include coaching his daughters' net ball teams, his team of Qld race horses and travelling the countryside on his BMW adventure bike. He and his family reside in Belmont on the shores of beautiful Lake Macquarie. Email: nellis@go2020.com.au



### Georgia Shuwalow

#### Financial Planner and Risk Insurance Specialist- Newcastle Office

Georgia is an Authorised Representative of Professional Investment Services Pty Ltd AR No. 237618.

Georgia, has many years experience in

SMSF pension administration, perfecting asset allocations for SMSF superannuation clients. Georgia has recently updated her qualifications to be able to advise on a range of SMSF savvy products including direct shares, separately managed accounts and instalment warrants. Georgia focuses much of her time dealing with Risk insurance issues and completing quotes and strategic plans to add value to our clients risk insurance needs. Email: georgie@go2020.com.au



### Tim Hof

#### Head of Superannuation – SMSF Administrator – Newcastle Office

Tim is in charge of the smooth running the SMSF administration section of 2020. Working in the dedicated specialist area of administration and compliance of SMSF's, Tim Hof brings a fresh approach to annual SMSF work and compliance. Tim's ability to understand complex pension setups, tax office rulings that affect investments and his poise in liaison with Superannuation actuaries and auditors brings speed and transparency to all of our SMSF year end compliance work. Tim has a Bachelor of Business Administration degree from Wollongong University.

Outside of work, he loves watching & playing different sports and has consistently played Aussie Rules Football and Cricket since a young age. Tim is also a bit of a TV/movie junkie and always looks forward to going out and catching up with friends on the weekends. Email: thof@go2020.com.au



### Nigel Ross

Solicitor Nigel Ross has had extensive experience in many areas of law and is focused on meeting the needs of

#### individuals and small to medium sized businesses.

His areas of practice include Conveyancing (both residential and commercial), Estate Planning, Asset Protection structuring for businesses, Purchase and Sale of Businesses, Probate and Estate Administration, Trusts, Commercial Leasing, Retirement Village Contracts, Unitholders and Shareholders Agreements for Businesses, Family Law and Commercial Litigation including debt recovery and commercial disputes. Nigel has acted for many types of businesses including property developers, builders, manufacturers, retailers and professionals service providers such as accountants, financial planners and doctors. His attention to detail, experience and innovative thinking has resulted in substantial savings to clients. Email: nross@go2020.com.au



### Bill Ellis

The Founder of the group, Bill has been a public practice accountant for well over 35 years. His ability to think outside the square has enabled Bill to develop and forge long term relationships with highly valued clients, who trust his intuition and foresight.

One of Bill's favourite sayings is "we're working for the client not the tax man!". Specialising in Medico's - ie Doctors Dentists and Vets, Bill is continually challenging the boundaries surrounding tax laws and improving tax and asset protection issues for professionals. Over the years Bill has had some famous victories over the ATO on taxation laws and to this point has never lost a case. Bill has recently begun to specifically focus on estate planning and succession planning issues for all clients especially through the use of SMSF's to provide flexibility.

Bill currently acts as a Registered Tax Agent & Registered Company Auditor.

## Support Staff – The Team

2020 Financial Solutions has a large and friendly support team that works in conjunction with the 'specialists' to provide you with a more personalised service. This support team is highly trained in dealing with ASIC, the ATO, State Revenue Offices and a range of regulatory organisations on your behalf.



## Our core services include:

- **SMSF Setup and Ongoing Administration**
- **Setup of Account Based and Transition to Retirement Pensions**
- **Preparation of Financial Reports**
- **Business Advisory Services – Strategic tax planning, business and entity setup**
- **Taxation Consulting and Returns – Income Tax, GST and International tax issues**
- **Business Management & Consulting – Cashflows and Valuations**
- **Estate Planning and Probate work.**
- **Company setups and full corporate Secretarial Services**
- **Succession Planning, Key person and buy and sell agreements**
- **Financial Planning – Investment Advice and Placement of Funds through PIS**
- **Remuneration Services – Salary Packaging & Effective Salary Sacrifice**
- **Maximising Centrelink Benefits & Retirement Planning**
- **Risk Insurance through PIS & General Insurance Reviews and Recommendations**
- **Small Business Bookkeeping and Software Solutions**
- **Debt Consolidation/ Refinancing of Loans**
- **All new business and home loan requirements through full mortgage broking services.**
- **Full Legal Services including Business Law, Conveyancing and Family Law.**



## Our Promise To You

### NEWCASTLE OFFICE

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### SOUTH COAST OFFICE

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### SNOWY MOUNTAINS OFFICE

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**[www.go2020.com.au](http://www.go2020.com.au)**

Australian Financial Services  
Licence No: 234951

If you are unsatisfied with your existing accountancy or financial services, or perhaps just looking for a more proactive stance from your current advisor, then talk to us. We are a firm that approaches advice differently to most, we may be able to genuinely help you. We offer a confidential no obligation appraisal. If we believe we can save you tax or make a significant difference to the wealth or risk strategies you currently use we will take the time to explore the right strategies with you and put a strategic plan in place.

We will present to you within seven days of our initial meeting our expert analysis and opinion of your current situation and guide to the future 'journey' we believe you should take. You may use this as a second opinion, or as an opportunity to forge a dynamic relationship with 2020 Financial Solutions.

There has never been a climate in Australia such as this - ripe with opportunities for correct business tax planning and superannuation options.

We regularly present free education seminars on these topics and would be pleased for you to contact us to find out details of upcoming dates for you and your family to attend.

We have clients broadly spread across Australia and we would welcome the challenge to tailor strategic advice for you!

Signed



Nic Ellis and all the 2020 Financial Solutions Team.



Professional  
Investment  
Services