



'End of Financial Year is coming'

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The message to prepare early for the end of the financial year (EOFY) is resonating amongst SMEs who report they are not waiting until after June 30 to make inroads into their compliance obligations.

In the March 2014 MYOB Business Monitor, nearly one third of SMEs reported they start preparing their financial reports at least a month before EOFY (31%). A further 17% stated that they start their preparations in the weeks prior to June 30, and only 12% reported not starting preparation until two months after the financial year ends.

MYOB CEO Tim Reed says it's heartening to see a high proportion of SMEs getting to grips ahead of time with compliance issues and other matters relating to EOFY.

"Preparing for EOFY early means SMEs can start the new financial year on the front foot. While EOFY is a compliance-driven exercise, it can be an ideal opportunity to draw a line under the previous year and look at what worked for your business, and what didn't. This way when you look ahead to the next year you'll have a much better idea of what activity will drive your success," says Mr Reed.

Nearly two thirds of SMEs (64%) use an accountant and a further 13% use a bookkeeper to help them with EOFY compliance. Mr Reed says the EOFY process is when SMEs are likely to spend the most time with their accountant or bookkeeper, so they should take advantage of the opportunity for sound advice.

"For most business owners their accountant or bookkeeper is their most trusted business advisor. They can help create and/or update their strategic plan. They can also advise on the best way to seek additional resources to grow the business; whether that's moving to online solutions, funding a new employee or acquiring a complementary business."

With online accounting making EOFY compliance easier than ever before, Mr Reed suggests SMEs use the time gained from increased productivity to work with their business advisor on plans for the coming year.

Mr Reed says, "The economic indicators point to 2014 as shaping up to be the year in which many local operators can fulfil their business potential."

The March 2014 MYOB Business Monitor survey also highlights that SMEs can face a tough few weeks ahead as they grapple with EOFY requirements. 31% reported working weekends, 20% have worked past midnight and 14% turned down invitations to catch up with friends in order to complete their EOFY obligations in the past.

Of the four generations captured in the survey, Gen Y (18-29yrs) were the group that said they worked beyond midnight (33%), had been unable to take planned holidays (27%), had missed an important family event (13%), or had hired a babysitter for a significant amount of time (8%) to meet their EOFY obligations.

Almost one quarter of small businesses (5-19 employees) said they had turned down an invitation to catch up with friends to meet their EOFY obligations (24%), followed by medium-sized businesses with 20-199 employees (21%), micro businesses with 1-4 employees (17%) and solo operators (11%).

Whether a business is well ahead of the process, or has yet to begin preparation, Mr Reed offers the following top five tips for EOFY:

Take advantage of deductions, write-offs and rebates before June 30 Contact your accountant to discuss the deductions, write-offs and rebates available to your business before June 30. Take action to scrap worthless stock, plant and equipment by reviewing your asset register (which keeps track of your company equipment including items purchased, sold or disposed of).

Provide relevant information to your accountant or bookkeeper Once the previous step is completed provide all necessary financial information to your accountant or bookkeeper. There are several options; for example, have them make a point-in-time copy from your data file in the cloud, or provide them with a secure copy of your backed up files. Check what best suits them.

Finalise end of year adjustments Your accountant or bookkeeper may want to make a number of adjustments to your reports or accounts. Once changes have been updated, lock all accounts relating to that year so that data remains accurate. This will help ensure an easy transition into the new financial year.

Create a separate copy of your accounts and back it up Whether you're working on your accounts in the cloud or on your desktop, you should

seriously consider making a point-in-time backup outside your accounting system that creates a data file for the 2013/2014 financial year only. Carefully save and store your 2013/2014 financial year file elsewhere in the cloud or offline.

Prepare for the new financial year The end of financial year shouldn't be all reports and numbers. It's also a good time to reassess and tweak your business plan and ensure you're on the right path for next financial year. It's a good idea to review your accounting software and think about how your business can benefit from cloud accounting solutions, whether that's moving to online accounting or removing pain points by using add-on solutions.

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About the MYOB Business Monitor

Established in 2004, the MYOB Business Monitor is a national survey of small and medium business owners and managers, commissioned to independent market research firm Colmar Brunton. The most recent study ran in January and February 2014, surveying 1,032 Australian operators from sole traders to mid-sized companies, representing the major industry sectors. The Monitor researches business performance and attitudes around areas such as profitability, cash flow, pipeline work, technology usage and government. Note: the weighting of MYOB client and non-client respondents is reflective of overall market proportions.

About MYOB

Established in 1991, MYOB is Australia's leading accounting software provider. It makes life easier for approx. 1.2 million businesses across Australia and New Zealand by simplifying accounting, payroll, tax, CRM, websites, job costing, practice management, inventory and more. MYOB also provides ongoing client support via many channels including a network of over 40,000 accountants, bookkeepers and other consultants. It is committed to ongoing innovation, particularly in cloud computing solutions, and spends more than AU\$35 million annually on research and development. For more information, visit myob.com.au.