JULY, 2026

NEWSLETTER

Accounting Methods for Business Income – Cash vs Accrual

The amounts you include as assessable income in any financial year depends on if you account on a cash or accruals basis.

Accounting methods

The method you use to account for income affects what you report. For:

- cash basis, report income when you receive the payment, even if the work was done earlier
- accruals basis, report income when you earn it, even if you haven't been paid yet.

Generally, you report on a cash basis if your business income is principally a result of your own labour.

You need to account for all transactions within a financial year using the same method.

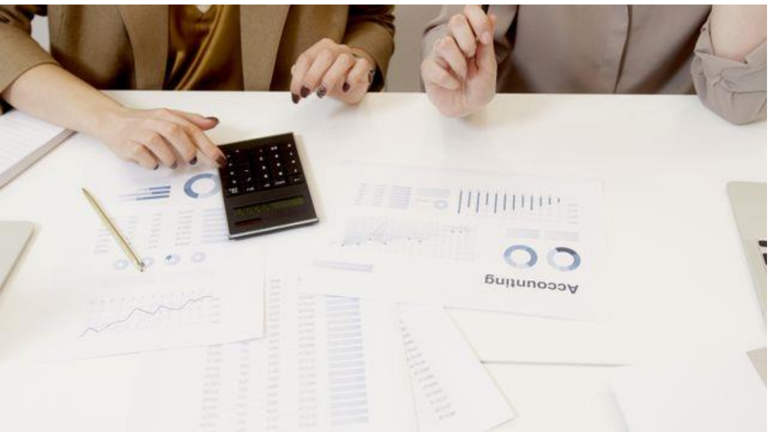
Cash Basis

If you account for your assessable income on a cash basis, you:

- **include** payments you received during the financial year, even if the work was done in a different financial year
- **don't include** amounts where the work was done, but you did not receive payment during the financial year.

Accruals Basis

If you account for your assessable income on an accruals basis, you **include** all income earned for work done during the financial year. This is even if you hadn't received payment by the end of the financial year.



Example: Cash Versus Accruals Basis

Dimitris manages his own business as a carpenter. He completes a contract in April 2026 worth $7,240 (in the 2025–26 financial year). His client pays the invoice on 10 July 2026 (in the 2026–27 financial year).

If he uses the:

- cash basis method – he includes the $7,240 (minus any GST) in his assessable income for 2026–27 financial year because he received payment in that financial year
- accruals basis method – he includes the $7,240 (minus any GST) in his assessable income for the 2025–26 financial year because he did the work in that financial year.

Still have questions?

Call the friendly team at Accountplan on 07 3883 8999 and arrange an appointment now.

Source: ATO

How Super Works

If you've ever had a job, then super is going to be on your radar. Knowing what it's all about is the first step to making it work for you.

Super Can Help You Save Big

Super is your savings account for retirement. But well before you retire, your balance could be in the hundreds of thousands of dollars. While you can't spend it now, a sum of money that big has got to be important to you. So it makes sense to know how it works and what you can do with it before you retire.

What is Super?

Superannuation (super for short) is your savings for your time in retirement. It's a sum of money you can spend when you're no longer earning an income from paid work.

Where Does Super Come From?

When you're working, your employer is usually required by law to pay a certain percentage of your salary into your super.

This is called the Superannuation Guarantee (SG) and right now that amount is 12% of your salary. These SG savings aren't taken out of your salary like income tax.

Super contributions are an extra amount included in your employment package that your employer lodges with your nominated super fund on your behalf.

What Happens to Your Super?

Super is your money and you get to control what happens to it, within certain limits.

This starts with choosing a super fund which is similar to a savings account, except you can only withdraw the money under certain circumstances.

Just like your employer is legally responsible for paying your SG contributions, super funds have a responsibility to look after your money and help you invest it so your savings can grow faster.

They get to charge fees for doing this, which are paid straight from your super account.

Why Do You Need Super?

When you retire, you may be able to get some income from the Age Pension.

But depending on your plans for retirement, how much you spend from day-to-day, and whether you rent or own your own home, the Age Pension may not be enough.

Your super savings are there to give you the income you need to choose how you want to live in retirement. It can come in handy before you retire too. Super can help you learn about investing, and even help you save for a home.

First Home Super Saver Scheme (FHSSS)

If retirement seems too far away, there could be another goal on your list your super savings can help with.

You can't put it towards a car or your next big trip overseas, but what if you could save faster for your new home through your super?

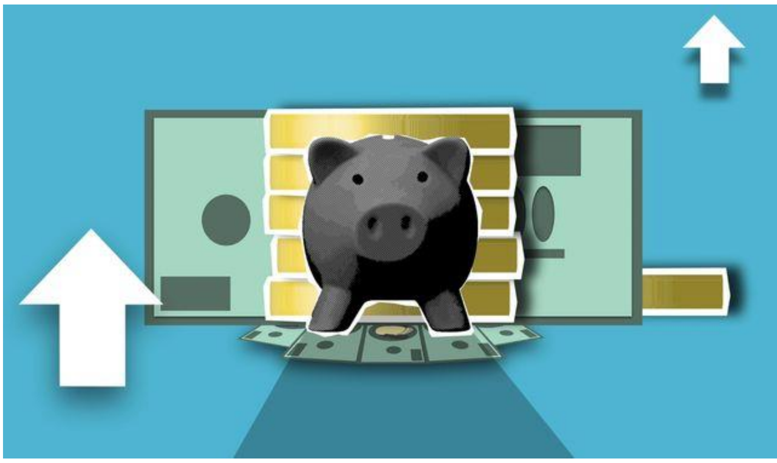
The First Home Super Saver Scheme (FHSSS) could see you on your way to owning your first home sooner:

- You can make extra payments into your super and keep them there until you're ready to buy.
- While you do this you can be saving on tax – both on the money you're earning from investing your super savings which is taxed at 15% and from the tax you could save by making extra payments into super from your pre-tax salary – these are called concessional or salary sacrificed contributions.
- Unlike a savings account which earns a fixed rate of interest, you can choose how to invest your super for a better return so your savings have the potential to grow faster.

Interested in Finding Out More?

Accountplan have been helping clients with superannuation advice for over 25 years. Call for an appointment on 07 3883 8999.

Source: IOOF



Introducing Chandan Dhanoa

We are pleased to announce that Chandan Dhanoa joined Accountplan in May, adding experience and skill to our already established accounting team.

Aside from accumulating more than 6 years client management experience in Sunshine Coast based accounting firms, Chandan has amassed an impressive list of industry qualifications:

- Bachelor's in Professional Accounting
- Master's in Professional Accounting
- Chandan is also well progressed in obtaining her CPA qualifications

Aside from the technical aspects, Chandan is a Small Business specialist who thrives on client interaction, having made an instant impression with her portfolio of clients.

Source: Mick Doyle, Accountplan Finance Solutions

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