



FNSACC601 ASSESSOR GUIDE

PREPARE AND ADMINISTER TAX DOCUMENTATION FOR LEGAL ENTITIES

Assessment 2 of 3



SWINBURNE
OPEN
EDUCATION

Assessment Information

Submission

You are entitled to three (3) attempts to complete this assessment satisfactorily. Incomplete assessments will not be marked and will count as one of your three attempts.

All questions must be responded to correctly to be assessed as satisfactory for this assessment.

Answers must be typed into the space provided and submitted electronically via the LMS. Hand-written assessments will not be accepted unless previously arranged with your assessor.

Reasonable adjustment

Students may request a reasonable adjustment for assessment tasks.

Reasonable adjustment usually involves varying:

- a. the processes for conducting the assessment (e.g. allowing additional time)
- b. the evidence gathering techniques (e.g. oral rather than written questioning, use of a scribe, modifications to equipment)

However, the evidence collected must allow the student to demonstrate all requirements of the unit.

Refer to the Student Handbook or contact your Trainer for further information.



Please consider the environment before printing this assessment.

Assessment Instructions (general)

Task overview

This assessment task is divided into two (2) parts:

- Part A – Identify taxation requirements for complex lodgements and returns (project)
- Part B – Obtain advice and guidance from specialist role play (assessor observation)

Part A requires you to complete six (6) tasks to test your understanding and the skills required for this unit:

- Task 1 – Identify tax requirements for legal entities
- Task 2 – Set up a data file in MYOB Business
- Task 3 – Identify key tax changes
- Task 4 – Identify and collect relevant client data
- Task 5 – Analyse Data

Part B requires you to participate in a role play to seek advice and guidance from a specialist (your Assessor). You will be required to use the information you gained in Part A to complete Part B.

This assessment uses a simulated business called Sydney Tax Agents. To complete the assessment tasks, you must access information, documents, and templates associated with clients of Sydney Tax Agents. The supporting documents you need to complete the assessment can be downloaded from the learning platform under Module 11 Assessment 2 tab.

To be assessed as competent, you must complete all tasks in the spaces provided in this assessment document or MYOB Business.

Read the case study and complete each part.

Assessment conditions

FNSACC522 Prepare tax documentation for individuals is a prerequisite and does not require that it be certified prior to this unit. This unit and its prerequisite may be delivered and assessed together.

This unit is designed to meet regulatory requirements of the Tax Practitioner Board (TPB). Where registration with the TPB is sought, assessment must reflect the conditions described by the regulator which stipulate that a significant amount (at least 40%) must be completed under some form of independent supervision. Where recognition of prior learning (RPL) is used, it must also meet the requirements of the Board's policy on RPL.

Details of requirements can be accessed on the TPB website at: <http://www.tpb.gov.au>

Assessment note: For this assessment **Part B**: Obtain advice and guidance from a specialist must be completed under independent supervision. Please refer to the additional independent supervision instructions.

Tax Practitioners Board (TPB) Tax agent registration

In Australia, if you want to provide tax services for a fee or other reward, you must be registered with the Tax Practitioners Board (TPB).

To become a registered Tax agent, you must satisfy specific qualifications and experience requirements set out in the Tax Agent Services Regulations 2022 (TASR). These requirements include a primary qualification, Board-approved courses, relevant experience and other criteria.

You may apply to register as a BAS agent through one of six options outlined in the TASR (item 201 or 206), depending on your qualifications and experience.

Summary of qualifications and experience requirements for tax agent registration (including renewal)

Item	Primary qualification	Board approved courses			Relevant experience
		Australian taxation law	Commercial law	Basic accountancy principles	
201 Tertiary qualifications in accounting	Degree or post-graduate award in accounting (from an Australian tertiary education institution) or award that is Board approved (from an equivalent institution)	Required ¹	Required	Not required	Equivalent of 1 year full-time experience in past 5 years
202 Tertiary qualifications - specialists	Degree or post-graduate award (from an Australian tertiary institution) or degree or award that is Board approved (from an equivalent institution) in a relevant discipline other than accounting	May be required ²	May be required ²	May be required ²	Equivalent of 1 year full-time experience in past 5 years
203 Diploma or higher award in accounting	Diploma or higher award in accounting (from a registered training organisation or equivalent institution)	Required ¹	Required ³	Not required	Equivalent of 2 years full-time experience in past 5 years
204 Tertiary qualifications in law	Academic qualifications to be an Australian legal practitioner	Required ¹	Not required	Required	Equivalent of 1 year full-time experience in past 5 years
205 Work experience	Not required	Required ¹	Required ³	Required	Equivalent of 8 years full-time experience in past 10 years
206 Membership of a professional association	Individual is a voting member of a recognised tax agent association	Not required	Not required	Not required	Equivalent of 8 years full-time experience in past 10 years

¹ Must include a component in the Tax Agent Services Act 2009, including the Code of Professional Conduct.

² May be required if the Board considers it is relevant to the tax agent services you are applying to provide.

³ If you were previously registered under the Income Tax Assessment Act 1936 you do not need to complete a Board approved course in commercial law to register or renew under items 203 or 205.

TPB approved courses

Board approved courses are nationally recognised units approved by the Tax Practitioners Board (TPB) for registration purposes.

FNSACC601 - Prepare and administer tax documentation for legal entities, and FNSTPB402 - Establish and maintain payroll systems are included in this FNS40217 Certificate IV in accounting and bookkeeping qualification. Together they meet the TPB approved course in basic GST/BAS taxation principles (GST/BAS course) academic requirements for registration as a BAS agent.

Additional resources and supporting documents

To complete this assessment, you will need:

- Access to a computer with internet
- Access to Microsoft word or similar
- Access to MYOB
- Access to learning materials
- FNSACC601_02_CaseStudy_FiveDockMechanicalWorkshopTrial Balance - June 2022
- FNSACC601_02_Case Study_ClientEngagementLetter
- FNSACC601_02_CaseStudy_Invoices
- FNSACC601_02_CaseStudy_Receipts
- FNSACC601_02_CaseStudy_ServiceNSWNotice
- FNSACC601_02_CaseStudy_Company-tax-return-2022-eform-reader
- FNSACC601_02_CaseStudy_Client Information Form

Task instructions (for the student) Part A: Identify taxation requirements for complex lodgements and returns

Case study

Sydney Tax Agents is a reputable tax agent business located in New South Wales (NSW), Australia. The business specialises in providing a wide range of tax and accounting services to individuals and small businesses across the state.

With over ten years of experience in the industry, Sydney Tax Agents has built a strong reputation for providing high-quality services and exceptional customer support. The business is run by a team of qualified and experienced tax agents committed to providing accurate and reliable tax solutions to their clients.

Sydney Tax Agents provides a comprehensive range of tax and accounting services, including:

- Tax return preparation and lodgment: The business assists clients in preparing and lodging their tax returns with the Australian Taxation Office (ATO). They ensure clients receive all eligible deductions and credits to minimise tax liability.
- Business tax services: The business assists small and medium-sized businesses to manage their tax obligations. They offer BAS preparation and lodgment services, tax planning, and business structure advice.
- Superannuation and SMSF services: Sydney Tax Agents offers comprehensive superannuation and self-managed super fund (SMSF) services. They provide advice on contributions, pensions, and compliance requirements for SMSFs.

You are employed as a bookkeeper and BAS agent with Sydney Tax Agents. Your current qualification meets the Tax Practitioners Board (TPB) requirement to become a registered tax agent.

To gain additional experience in tax-related work, you are assisting your manager Peter Pollock in preparing the tax returns for clients of Sydney Tax Agents.

Task 1 – Identify tax requirements for legal entities

To complete this assessment task, you must download:

- [FNSACC601_02_CaseStudy_ClientInformationForm_V1](#)

Peter Pollock has asked for your assistance in preparing for meetings with the following three (3) clients of Sydney Tax Agents:

- D Design
- DJ Martin & FL Martin
- SMA Consulting Pty Ltd

Access the Client Information Form and complete a copy of the form for each client.

In the form you must:

- a. Identify the entity structure.
- b. Include a screenshot from either www.asic.gov.au website or The Australian Business Register (ABR) for each entity to provide evidence of the entity type.
- c. Identify whether the entity is registered for Goods and Services Tax (GST).
- d. Identify the tax return you would complete for each entity.
- e. Explain the taxation compliance requirements relevant to the client's circumstances. Include a link to where you have sourced this information.

Once you have completed Task 1 save Client Information Form to your desktop. Save the client information form on your desktop using the naming convention:

Student Name_FNSACC601_02_CaseStudy_Client-Information-Form

and upload with your assessment.

MARKING GUIDE

See [FNSACC601_AG_02_CaseStudy_ClientInformationForm_V1](#) for the Marking Guide

Task 2 – Set up a data file in MYOB Business

To complete this assessment task, you must download:

- [FNSACC601_02_CaseStudy_FiveDockMechanicalWorkshopTrial Balance - June 2022](#)

Scenario

John owns a mechanical workshop and has been in business for several years. The workshop is in Five Dock, NSW and serves both commercial and individual clients. John is a skilled mechanic and is passionate about his work. He is also a savvy businessman, and this year has expanded his business by opening a second location nearby in Concord. In addition to managing his two workshops, he is also responsible for overseeing a team of mechanics, ordering parts and supplies, and dealing with customers.

Despite his success, John feels overwhelmed as the 2022 tax deadline approaches. He knows he must complete his business's 2022 tax returns and file them on time. He has completed the tax return for his Five Dock business, but he is struggling to find the time to get the 2022 tax return for his Concord Business done.

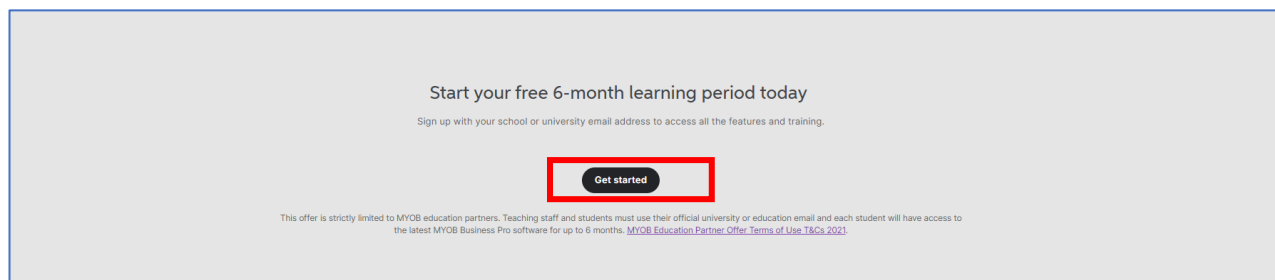
Peter Pollock has asked you to set up the MYOB data file for Concord Mechanical Workshop Pty Ltd.

Complete the following steps.

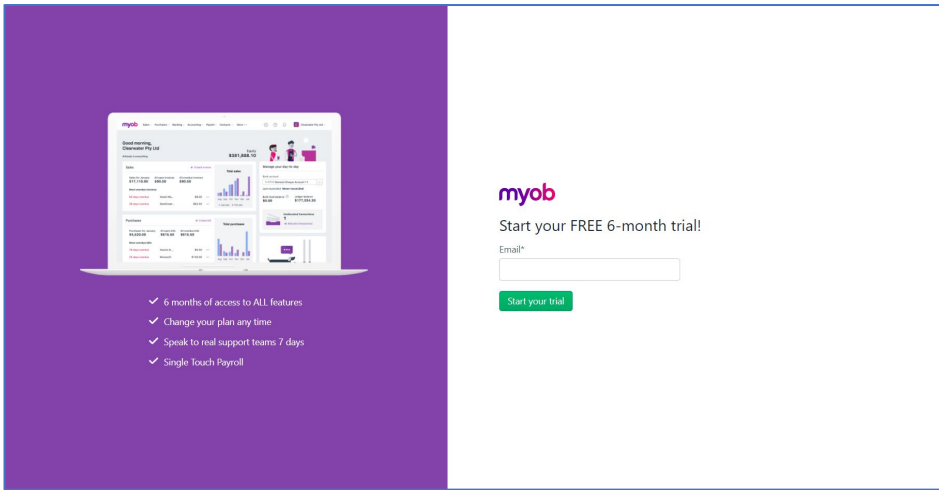
1.0 Set up a MYOB data file for Concord Mechanical Workshop Pty Ltd.

1.1 Go to <https://www.myob.com/au/campaign/education-trial>

1.2 Select **Get started**

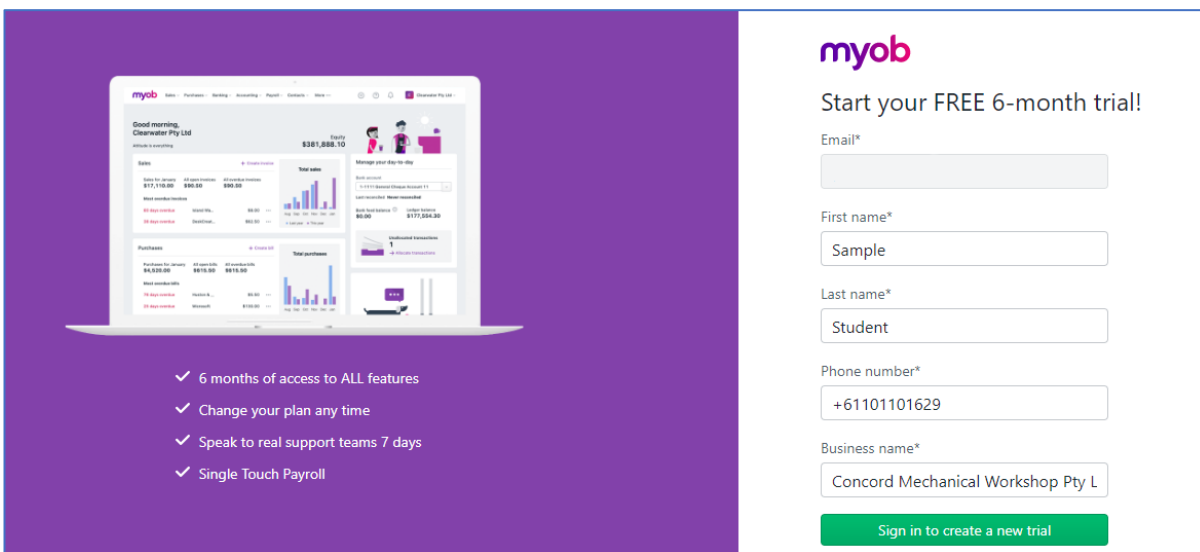


1.3 Enter the email address you use to access your Swinburne Open Education course to start your trial.



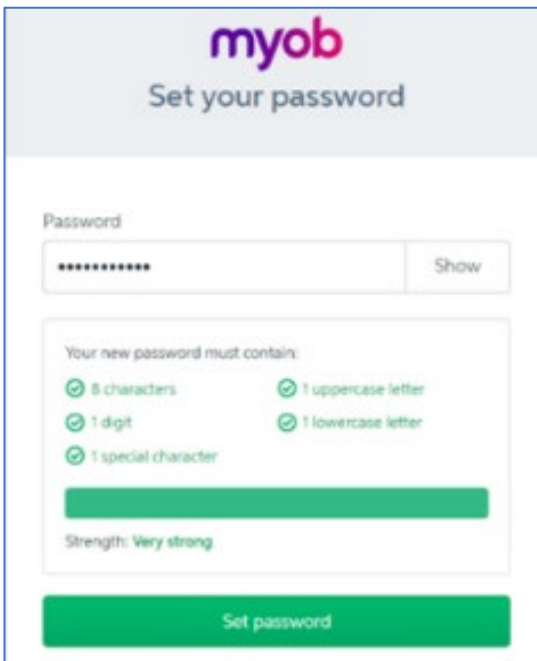
- ✓ 6 months of access to ALL features
- ✓ Change your plan any time
- ✓ Speak to real support teams 7 days
- ✓ Single Touch Payroll

1.4 Add your first name, last name, phone number and the Business Name – Concord Mechanical Workshop Pty Ltd.




- ✓ 6 months of access to ALL features
- ✓ Change your plan any time
- ✓ Speak to real support teams 7 days
- ✓ Single Touch Payroll


1.5 Set your MYOB password.



1.6 Select 'Access your software now'.



What happens next?




Access your product
Learn the ropes with the help of your own personalised setup activities

[Access your software now](#)

1.7 Add the business details.

Business Details	
Business Name:	Concord Mechanical Workshop Pty Ltd
Australia Business Number (ABN):	26 008 672 179
Registered for GST:	Yes
Type of Business:	Private Company
Industry:	Repairs and maintenance
Role in this business:	Student or teacher
Employees:	Yes




- 1 ABN
- 2 Business details
- 3 Personalise

Let's start with your ABN

Adding your Australian Business Number (ABN) helps us to customise your software to your business. You'll save time by having the right setup from the start.

ABN

[Find your ABN](#)

 If you don't have an ABN you can add this in later.

[Next](#)

myob

- ✔ ABN
- 2 Business details
- 3 Personalise

Business details

ABN

Business name *

Is this business registered for GST? * ⓘ
 Yes
 No

What type of business is this? *
 ▼

myob

- ✔ ABN
- ✔ Business details
- 3 Personalise

Personalise your software

We'll set up your software to suit you.

What industry is this business in? *
 ▼

What's your role in this business? *
 Accountant
 Owner or employee
 Bookkeeper
 Student or teacher ⓘ

Does the business have employees? *
 Yes
 No

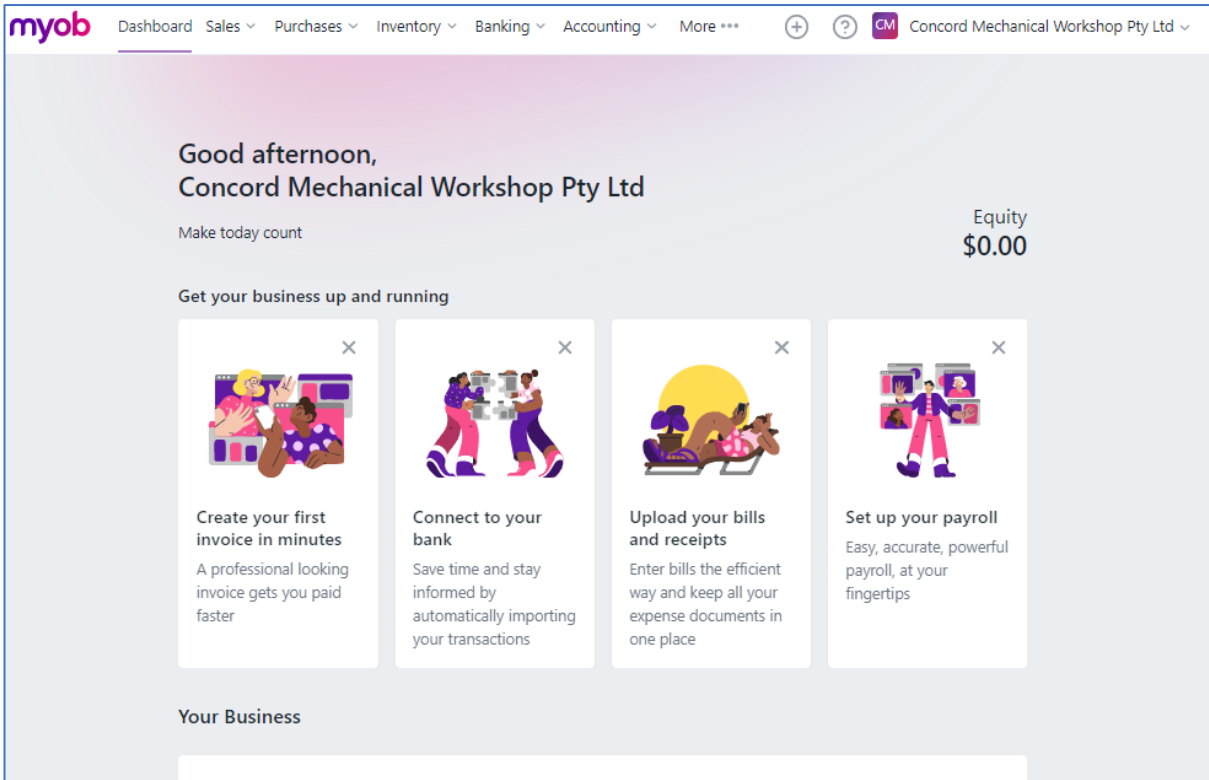
Do you need to move data from Xero, Quickbooks Desktop or Reckon?
 Yes, I need to move data to my MYOB software.

1.8 Select:

- Repairs and maintenance from the dropdown menu
- Student or teacher as your role
- Yes, to employees.

1.9 Select Finish set up.

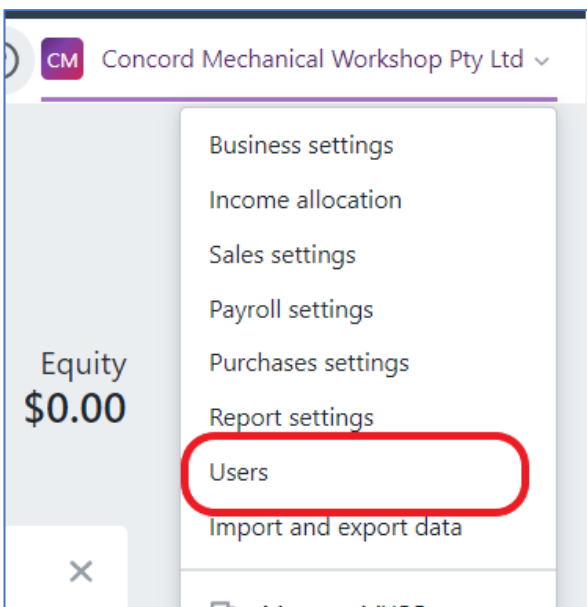
Once you have completed these steps, you will be redirected to the MYOB dashboard.



2.0 Set the following user accesses and invite your trainer to access your MYOB file.

User	Access	User Type
Student (use the email address you used to access your Swinburne Open Education course)	Administrator	Owner
Trainer/Assessor - Go to the forum to obtain information on the module trainer.	Administrator	File User

Select User settings.



Create user

Details

Name* Trainer/Assessor

Email Go to the student forum to access the email address of your trainer / assessor.

Access

Roles and permissions* Administrator

- Accountant/Bookkeeper
- Sales
- Purchases
- Payroll
- Banking
- Contacts

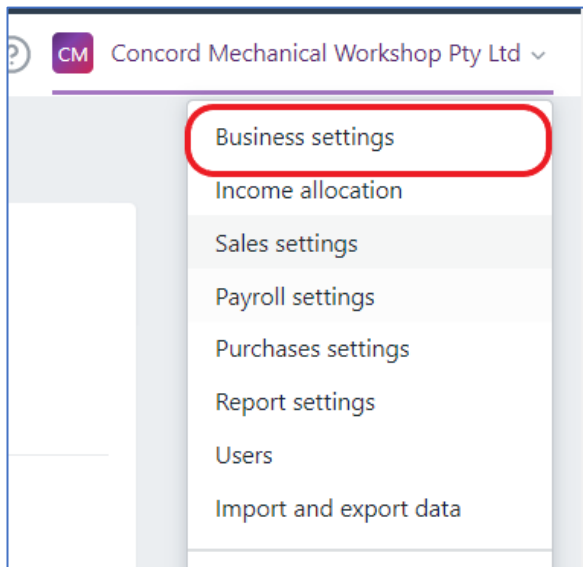
This user can create pay runs that incur payroll fees on behalf of your business. Learn more about payroll fees.

User Type File User

[Manage user access via my.MYOB](#)

Cancel **Save and send invitation**

2.1 Select Business settings and add the business details below.



Note: You are only required to add the following information:

- Business details:
 - Business details
 - Industry details
 - Contact details
 - Financial year.
- GST settings:
 - If business is registered for GST

- Reporting frequency.

Concord Mechanical Workshop Pty Ltd

Business details **GST settings** Preferences

Changes made here will not be reflected in the bills you receive from MYOB. To review your account and billing details with MYOB, visit [My Account](#).

Business details

MYOB serial number 614609312412

Business name*

Trading name

ABN

GST branch number

ACN

Client code

Industry details

Concord Mechanical Workshop Pty Ltd Business Information	
Business name	Concord Mechanical Workshop Pty Ltd
Trading name *	[Student name, Student #] – Concord Mechanical Workshop Pty Ltd
Business owner	John Edwards john.edwards@gmailstudent.com.au
Organisation type	Australian Private Company
Concord Mechanical Workshop email address	info@concordmechanic.student.com
Phone number	02 9740 5641
Website	http://concord.mechanical.workshop.student.com
Industry classification	Repairs and maintenance
Specific industry code	Other Automotive Repair and Maintenance
ABN	26 008 672 179
Postal address	9 Edward Bennett Drive Concord NSW 2538
Shop address	9 Edward Bennett Drive Concord NSW 2538
Tax File Number	111 111 111
GST reporting	Quarterly – Accrual Basis
PAYG	Quarterly reporting
Current financial year	2022
Last day of the financial year	30/06/2022
Opening balance date	30/06/2022
Bank Account details	Account Name: Concord Mechanical Workshop Pty Ltd BSB: 311-876 ACC No: 9876543 Westpac banking Code: 098733
*When you set up the Trading Name, please include your name and student number, e.g., Clark Kent SN-123456 – Concord Mechanical Workshop Pty Ltd.	

2.2 Download FNSACC601_02_Project_Trial Balance June 2022.

2.3 Review the MYOB default chart of accounts list for Concord Mechanical Workshop Pty Ltd.

- 2.4 Access [FNSACC601_02_CaseStudy_FiveDockMechanicalWorkshopTrial Balance - June 2022](#). Use the information to customise the chart of accounts to reflect Concord Mechanical Workshop Pty Ltd.'s business structure.
- 2.5 Enter the opening balances from the chart of accounts as a general journal entry. Use the date 30/06/2022.
- 2.6 Review the system output to verify the accuracy of input data and adjust for any detected processing errors.

Please Note

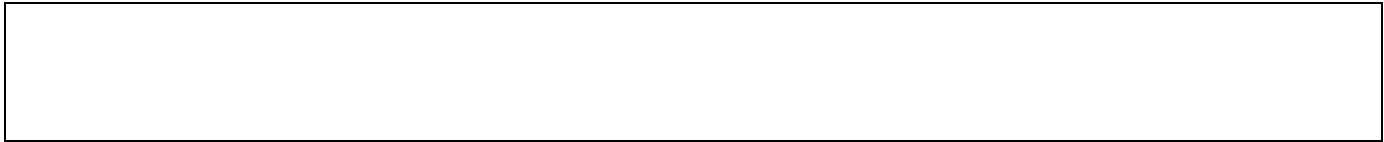
Historical Balancing is where MYOB stores the current discrepancy or out-of-balance amount. This ensures the Balance Sheet will be balanced. If your historical balancing figure is not zero, use the MYOB help to identify how to resolve the discrepancy or out-of-balance amount.

To complete this assessment, you must access financial reports from MYOB. If you are unfamiliar with MYOB, here are some links to short courses to familiarise yourself with the software.

- [Dashboard and business details](#) - Duration: 10 mins
- [Reporting](#) - Duration: 10 mins
- [Day to day with MYOB](#) - Duration: 120 mins

Generate a Profit and Loss and Balance Sheet report as at 30 June 2022. Export the reports as a PDF, use the snipping tool capture a screenshot of the reports and paste the screenshot into the space below.

Insert the Balance Sheet Report here.



Balance sheet report

Accrual mode
 30 Jun 2022

	Total
1-0000 Assets	
1-1000 Current Assets	
1-1100 Bank Accounts	
1-1110 Business Bank Account	23,000.50
1-1160 Petty Cash	250.00
Total Bank Accounts	23,250.50
1-1200 Accounts Receivable	5,500.00
1-1211 Prepaid Expenses	5,000.00
Total Current Assets	33,750.50
1-1962 Deposits To Suppliers	2,585.00
1-2100 Property, Plant & Equipment	
1-2110 Plant & Equipment	34,500.00
1-2120 Accum. Depr. Plant & Equipment	1,945.24
1-2510 Motor Vehicles	51,791.00
1-2520 Accum. Depr Motor Vehicles	6,473.88
Total Property, Plant & Equipment	94,710.12
Total Assets	131,045.62
2-0000 Liabilities	
2-0010 Current Liabilities	
2-1100 Credit Cards	
2-1110 Credit Card #1	2,900.00
Total Credit Cards	2,900.00
2-1140 Accounts Payable	6,780.00
2-1211 GST Liabilities	
2-1212 GST Balance	7,650.00
Total GST Liabilities	7,650.00
2-1350 PAYG Withholding Payable	5,400.00
2-1355 Superannuation Payable	10,040.00
2-1365 ABN Withholding	2,500.00
2-1555 Accrued Wages	3,500.00
2-1600 Provisions for Leave	
2-1610 Annual Leave Provision	8,000.00
2-1620 Personal Leave Provision	4,000.00
Total Provisions for Leave	12,000.00
Total Current Liabilities	50,770.00
Total Liabilities	50,770.00
Net Assets	80,275.62
3-0000 Equity	
3-1000 Owner's Funds Introduced/Personal Income	164,950.00

	Total
3-3000 Share Capital - J Edwards (50 Shares)	50.00
3-9000 Current Year Earnings	(84,724.38)
Total Equity	80,275.62

Generate a **Profit and Loss Report** as at 30 June 2022. Export the reports as a PDF, use the snipping tool capture a screenshot of the reports and paste the screenshot into the space below.

Insert the Profit & Loss Report here.

Profit and loss report

Accrual mode

30 Jun 2020 - 30 Jun 2020

	Total
4-0000 Income	
4-1450 Service Income	330,000.00
Total Income	330,000.00
5-0000 Cost Of Sales	
5-2000 Purchases	38,750.00
Total Cost Of Sales	38,750.00
Gross Profit	291,250.00
6-0000 Expenses	
6-1110 Accounting & Bookkeeping	3,500.00
6-1120 Advertising & Marketing	4,000.00
6-1160 Bank Fees	175.00
6-1180 Bad Debts	2,500.00
6-1190 Cleaning	195.00
6-1240 Car Lease Expenses	4,236.12
6-1300 Depreciation	8,419.12
6-1420 Donations	1,760.00
6-1430 Electricity & Gas	3,185.00
6-1440 Entertainment	5,500.00
6-1450 Filing Fees	85.00
6-1460 Fines and Penalties	295.00
6-1470 Freight, Courier & Postage	330.00
6-1540 Insurance Expenses	
6-1550 Insurance	7,000.00
Total Insurance Expenses	7,000.00
6-1620 Legal Fees	2,850.00
6-1630 Machinery Expensed	5,500.00
6-1640 Merchant Fees	1,250.00
6-1700 Motor Vehicle Expenses	2,300.00
6-3020 Office Supplies	325.00
6-4000 Payroll Expenses	
6-4100 Payroll - Wages & Salaries	300,765.00
6-4200 Superannuation	28,866.50
6-4220 Super Guarantee Charge	200.00
6-4230 Super Guarantee Charge Interest	465.00
Total Payroll Expenses	330,296.50
6-4280 Printing & Stationery	800.00
6-4310 Rent	7,000.00
6-4320 Repairs & Maintenance	295.00
6-4350 Security	3,200.00

	Total
6-4390 Staff Amenities	455.00
6-4450 Sundry Expenses	5,472.36
6-4460 Telephone & Internet	875.00
6-4470 Tools under \$100 instant write off.	6,455.00
6-4490 Travel & Accommodation	3,628.00
6-4520 Water expenses	330.00
6-4530 Work Cover	5,805.00
Total Expenses	418,017.10
Operating Profit	(126,767.10)
8-0000 Other Income	
8-0050 Government Subsidies	2,500.00
8-1000 Interest Received	125.00
8-1050 FBT Employee Contributions	3,500.00
8-1100 Rent from adjoining vacant land	38,643.72
Total Other Income	44,768.72
9-0000 Other Expenses	
9-1000 Interest Expense	85.00
9-2050 FBT Expense	2,641.00
Total Other Expenses	2,726.00
Net Profit	(84,724.38)

Task 3 – Identify key tax changes

Scenario

As a Tax agent, you must be aware of key changes and new measures when completing your clients' tax returns. Conduct research using the [ATO website](#) to identify any key changes or measures you must consider when completing Concord Mechanical Workshop Pty Ltd 2022 tax return.

1. Provide evidence of your research from the ATO website by inserting the link where the key changes were identified.

MARKING GUIDE

Candidates must provide evidence they have research from the ATO website by inserting the link where the key changes were identified. The response provided by the candidate must match the benchmark answer provided.

1. Insert website link here.

[Overview of key changes | Australian Taxation Office \[ato.gov.au\]](#)

2. Complete the table below to identify **five** [5] key changes for the 2022 tax return.

MARKING GUIDE

Candidates must identify and summarise the five key tax changes for companies that will affect Concord Mechanical Workshop Pty Ltd.'s 2022 tax return. The response provided by the candidate must reflect the benchmark answer provided.

Key Change [6-10 words]	Summary of Change [15 to 300 words per key change]
Temporary full expensing extended to 30 June 2023	<p>In 2020, the Australian Government introduced temporary tax incentives to help Australian businesses withstand the impacts of COVID-19. One of these temporary tax incentives was temporary full expensing. This incentive has now been extended for eligible businesses until 30 June 2023. Other than the extension, the operation of the regime remains the same.</p> <p>Corporate tax entities using the alternative income test to determine eligibility for temporary full expensing can now include the cost of depreciating assets that are capital works. This is when determining if their cost of depreciating assets for the 2016-17, 2017-18 and 2018-19 income years (combined) exceeds \$100 million. For more information, see Instant asset write-off for eligible businesses.</p> <p>Overview of key changes Australian Taxation Office [ato.gov.au]</p>
Loss carry back tax offset tool	<p>You can now use the loss carry back tax offset tool to help you work out if you are eligible to claim the loss carry back tax offset. If you are eligible, you can use the calculator to work out the maximum loss carry back tax offset you can choose to claim. It will also provide the information to include in the labels you need to make your claim in your Company tax return 2022.</p> <p>Overview of key changes Australian Taxation Office [ato.gov.au]</p>

<p>Change in tax rate for base rate entities</p>	<p>The corporate tax rate for base rate entities for 2021–22 is 25%.</p> <p>Overview of key changes Australian Taxation Office [ato.gov.au]</p>
<p>New and modified items in the 2022 Company tax return</p>	<p>The Company tax return 2022 includes the following new items about capital allowances, loss carry back, and research and development (R&D) tax incentive:</p> <p>Item 9 – Capital allowances – one modified label C – Have you self-assessed the effective life of any of these assets? Label C has been shifted to follow labels A and B at the top of item 9 – Capital allowances.</p> <p>Item 13 – Losses information – 8 new labels D – Tax loss 2021–22 carried back to 2018–19 E – Tax loss 2021–22 carried back to 2019–20 F – Tax loss 2021–22 carried back to 2020–21 H – Tax rate 2020–21 K – Net exempt income 2020–21 N – Income tax liability 2020–21 Q – Select your aggregated turnover range for 2020–21 (Select range A to P)</p> <p>Item 21 – Research and development tax incentive – 2 labels X – Balancing adjustments – catch-up deduction W modified from W – Feedstock adjustment – additional assessable income to W – Clawback amounts – additional assessable income</p> <p>Overview of key changes Australian Taxation Office [ato.gov.au]</p>
<p>Removed items in the 2022 Company tax return</p>	<p>Removed items in the Company tax return 2022 The following labels have been removed from the Company tax return 2022.</p> <p>Item 9 – Capital allowances – 5 removed labels V – Are you making a choice to opt out of backing business investment for some or all of your eligible assets? W – Number of assets you are opting out for X – Value of assets you are opting out for M – First year accelerated depreciation deductions for assets using backing business investment O – Instant asset write-off deductions for non-small business entities</p> <p>Capital allowances label changes were made at the end of 2 depreciation incentives. In March 2020, the Australian Government introduced 2 tax depreciation incentives to help businesses with an aggregated turnover of less than \$500 million recover from the impacts of COVID-19 and support business investment. These were backing business investment – accelerated depreciation (BBI) and enhanced instant asset write-off. From December 2020, eligible businesses were able to choose to opt out of applying BBI to eligible assets on an asset-by-asset basis.</p> <p>Businesses that have previously claimed BBI depreciation deductions for eligible assets in an earlier year, should include their total depreciation deductions in 2021–22 for these assets at label N – Subsequent year accelerated depreciation deductions for assets using backing business investment.</p> <p>For assets first used or installed ready for use for a taxable purpose in 2021–22, or improvements to existing assets made in 2021–22, businesses may be eligible for an immediate deduction under temporary full expensing.</p>

Item 11 – Consolidation deductions relating to rights to future income, consumable stores and work in progress – 2 removed labels

These labels were removed due to such deductions being unlikely to arise after the 2020–21 income year.

D – Pre-rules deductions

E – Interim rules deductions

[Overview of key changes | Australian Taxation Office \[ato.gov.au\]](#)

Task 4 – Identify and collect relevant client data

To complete this assessment task, you must download:

- [FNSACC601_02_CaseStudy_ClientEngagementLetter](#)

Scenario:

To complete this assessment, you must follow Sydney Tax Agent Preparation Policy and Procedure. The procedure states:

“Before the commencement of any tax return, a signed terms of engagement letter and completed Tax Return Checklist must be received from new clients.”

Review the information contained in the Client Engagement Letter from John Edwards, the owner of Concord Mechanical Workshop Pty Ltd.

Complete the below **Taxation Data Report** to establish Concord Mechanical Workshop Pty Ltd.'s tax documentation preparation requirements and data that must be collected to complete the 2022 tax return.

MARKING GUIDE

Candidates must use the template below to identify what data they need to collect to complete Concord Mechanical Workshop Pty Ltd 2022 tax return .

The response provided by the candidate must reflect the benchmark answer provided. A note has been included where there are other possible responses that would be correct.

TAXATION DATA REPORT		
	NAME	DATE
Name and Title of Person Providing Information:	John Edwards Owner Concord Mechanical Workshop Pty Ltd	
Staff Member Checking Information:	Student's Name	
Partner Reviewing Information:	Peter Pollock - Partner Sydney Tax Agents	
TAX PREPARATION REQUIREMENTS		
COMPANY INFORMATION		
Entity's Name:	Concord Mechanical Workshop Pty Ltd	
Entity's ABN:	26 008 672 179	
Entity's TFN:	111 111 111	
Entity's Postal Address	PO Box 234 Five Dock NSW 2046	
Entity's Business Address	9 Edward Bennett Drive Concord NSW 2538	
Is Entity Registered For GST:	Yes	

Does Entity Employ Staff:	Yes
MARKING GUIDE: For other information, candidates may include that would also be a correct response; see https://www.ato.gov.au/Forms/Company-tax-return-instructions-2022/?page=6#Items_1_to_5	
RELEVANT TAX & SUPERANNUATION OBLIGATIONS (Include lodgement dates)	
BAS Reporting Word count: 20-25 words	Jan – Mar Standard Lodgement, 28 Apr, Tax Agent 26 May Apr – Jun Standard Lodgement, 28 Jul, Tax Agent 25 Aug
Lodge Tax Return Deadline Word count: 9 words	31 October
Superannuation Guarantee Word count: 16 words	1 Jan – 31 Mar Payment due 28 Apr 1 Apr – 30 Jun Payment due 28 Jul
PAYG Word count: 20 words	Jan – Mar Standard Lodgement, 28 Apr, Tax Agent 26 May Apr – Jun Standard Lodgement, 28 Jul, Tax Agent 25 Aug
Fringe Benefits Tax Word count: 10 words	1 April to the following 31 March lodgement, 21 May
MARKING GUIDE: Candidates must identify what tax and superannuation obligations Concord Mechanical Workshop Pty Ltd must have met for the 2022 financial year. Reporting obligations cover six months, from January to June 2022.	
CLIENT DATA FOR CALCULATING TAXABLE INCOME	
INCOME Word count: 80-85 words	This includes all income Concord Mechanical Workshop Pty Ltd uses to calculate a profit or loss. <ul style="list-style-type: none"> • Gross payments subject to foreign resident withholding (excluding capital gains) • Gross payments where ABN not quoted • Other sales of goods and services • Gross distribution from partnerships • Gross distribution from trusts • Forestry managed investment scheme income • Gross interest • Gross rent and other leasing and hiring income • Total dividends • Fringe benefit employee contributions • Assessable government industry payments • Unrealised gains on revaluation of assets to fair value • Other gross income
MARKING GUIDE: The list provided is the complete ATO list of income items. While not all of these apply to Concord Mechanical Workshop Pty Ltd, candidates must demonstrate an understanding of what needs to be included in section 6 of the company tax return for Concord Mechanical Workshop Pty Ltd. 6. Calculation of total profit or loss – Income Australian Taxation Office [ato.gov.au]	
ALLOWABLE DEDUCTIONS Word count: 85-90 words	This includes all items exempted by law which can be reduced from the assessable income to determine the taxable income on which tax is actually paid. <ul style="list-style-type: none"> • Foreign resident withholding expenses (excluding capital gains)

- Cost of sales
- Contractor, sub-contractor and commission expenses
- Superannuation expenses
- Bad debts
- Lease expenses within Australia
- Lease expenses overseas
- Rent expenses
- Interest expenses within Australia
- Interest expenses overseas
- Royalty expenses overseas
- Royalty expenses within Australia
- Depreciation expenses
- Motor vehicle expenses
- Repairs and maintenance
- Unrealised losses on revaluation of assets to fair value
- All other expenses

MARKING GUIDE: The list provided is the complete ATO's list of expense items, and while not all of these may apply to Concord Mechanical Workshop Pty Ltd, candidates must demonstrate an understanding of what needs to be included in section 7 of the company tax return for Concord Mechanical Workshop Pty Ltd.

[6. Calculation of total profit or loss – Expenses | Australian Taxation Office \[ato.gov.au\]](#)

CAPITAL GAINS

Word count: 40–45 words

Information about capital gains tax events during the income year to enable a tax agent to complete a Capital gains tax (CGT) schedule 2022 and to include in section 9 capital allowances of the company tax return for Concord Mechanical Workshop Pty Ltd.

[Schedules | Australian Taxation Office \[ato.gov.au\]](#)

FINANCIAL ADJUSTMENTS

Word count: 30 words

This includes information on the following:

- Trade debtors
- Bad debts
- Current assets
- Depreciating assets first deducted in this income year
- Trade creditors
- Current liabilities
- Write-offs
- Accruals
- Prepayments
- Provisions
- Revaluations

MARKING GUIDE: The list provided is not a complete list. Candidates must demonstrate an understanding of what needs to be included in section 8 and sections 10–25 of the company tax return for Concord Mechanical Workshop Pty Ltd.

https://www.ato.gov.au/Forms/Company-tax-return-instructions-2022/?page=10#Information_statement_items_6_to_25

Task 5 – Analyse data

To complete this assessment task, you must download:

- [FNSACC601_02_CaseStudy_Receipts](#)
- [FNSACC601_02_CaseStudy_Invoices](#)
- [FNSACC601_02_CaseStudy_ServiceNSWNotice](#)
- [FNSACC601_02_CaseStudy_Company-tax-return-2022-eform-reader](#)

Scenario:

You are required to identify taxation requirements for complex lodgments and returns and gather and analyse data relevant to the client's tax position.

As part of this process, you are required to:

- Determine the client's tax documentation preparation requirements.
- Develop questions in preparation to obtain advice and guidance from a specialist to evaluate and moderate decisions (from your Assessor and this will be used in Part B: Roleplay).
- Calculate the client's tax obligations, in accordance with legislative requirements.

John Edwards, has provided you with the following documents relating to Concord Mechanical Workshop Pty Ltd.'s 2022 tax return:

- Invoices
- Receipts
- Service NSW Notice and Tax Invoice.

You also have the Balance Sheet and Profit & Loss report for Concord Mechanical Workshop Pty Ltd you generated from MYOB.

In addition, John Edwards has provided the following information:

Additional Information

John was holidaying in Brisbane with his partner when he learned of a half a day work-related mechanical diagnostic testing workshop. John attended the workshop and claimed \$3,628.00 in travel costs through the business.

ADDITIONAL INFORMATION FOR THE ASSESSOR

[Travel expenses | Australian Taxation Office \(ato.gov.au\)](#)

John organised a staff Easter party for his ten employees and their partners at Maranello's Italian Restaurant. The cost was \$275.00 per person. John claimed the cost through his business as an entertainment expense.

ADDITIONAL INFORMATION FOR THE ASSESSOR

[Common entertainment scenarios for business | Australian Taxation Office \(ato.gov.au\)](#)

The bad debt was for a car service on 30 June 2022. The amount is included in Concord Mechanical Workshop Pty Ltd.'s income. The email address provided by the customer bounced. The invoice was sent via post a few days later.

ADDITIONAL INFORMATION FOR THE ASSESSOR

[Deductions for unrecoverable income \(bad debts\) | Australian Taxation Office \(ato.gov.au\)](#)

Concord Mechanical Workshop Pty Ltd has elected not to use the simplified depreciation rules. It will only write off business assets costing \$1,000.00 or less in 2022 FY.

ADDITIONAL INFORMATION FOR THE ASSESSOR

[Simpler depreciation for small business | Australian Taxation Office \(ato.gov.au\)](#)

Tom is the senior mechanic at Concord Mechanical Workshop Pty Ltd. As part of his employment package, he has been provided with a company car for him to use both for his daily commute to and from work and work-related travel, including sourcing parts from suppliers.

Tom made an employee contribution of \$3,500.00 towards the cost of the card in the 2022 FY.

ADDITIONAL INFORMATION FOR THE ASSESSOR

[Fringe benefits tax - a guide for employers | Legal database \(ato.gov.au\)](#)

2021/22 Total Income included \$2,500.00, where no ABN was quoted.

Concord Mechanical Workshop Pty Ltd received a COVID-19 Supporting Apprentices and Trainees wage subsidy of \$2,500.00.

ADDITIONAL INFORMATION FOR THE ASSESSOR

[Information statement – items 6 to 25 | Australian Taxation Office \(ato.gov.au\)](#)

During the financial year, Concord Mechanical Workshop Pty Ltd made two donations:

- Cantoo is a charity supporting the research, prevention, care and control of cancer
- Concord junior soccer club.

ADDITIONAL INFORMATION FOR THE ASSESSOR

[Gifts and donations | Australian Taxation Office \(ato.gov.au\)](#)

The business rents leased premises costing \$12,00.00 p/a. On 03 January 2022, John made a lease payment to cover the period from 1 December 2021 to 31 December 2022. (396 days). The accounts have recorded a prepayment for five (5) months.

ADDITIONAL INFORMATION FOR THE ASSESSOR

[General information about prepaid expenses | Australian Taxation Office \(ato.gov.au\)](#)

Parking Fines

ADDITIONAL INFORMATION FOR THE ASSESSOR

http://classic.austlii.edu.au/au/legis/cth/consol_act/itaa1997240/s26.5.html

Wages and Salaries include:

- Annual Leave of \$8000.00 resulted from taking up a provision for annual leave.
- Personal Leave of \$4000.00 resulted from taking up a provision for personal leave.
- Accrual of a \$3500.00 bonus. The bonus will be paid in September 2022, but only if the business achieves a certain profit target.
- Annual Leave paid during the period was \$3,500.00.
- Personal Leave paid during the period was \$1,400.00.

Superannuation details are:

- All employees are under the age of 55yrs and have nominated their superannuation contributions be paid to complying superannuation funds.
- April – June Superannuation was paid on 21/07/2022.

ADDITIONAL INFORMATION FOR THE ASSESSOR

[Deductions for salaries, wages and super | Australian Taxation Office \(ato.gov.au\)](#)

Carefully review the data provided and identify any discrepancies that may require further verification or research to resolve.

Complete the following:

- a. Create a **list of questions** to discuss with your manager, Peter Pollock, to confirm that the data you have gathered is complete and that you have correctly applied relevant tax legislation to the financial information provided by John Edwards for Concord Mechanical Workshop Pty Ltd. (Minimum six (6) questions)

You must demonstrate that you understand:

- Assessable Income - Division 6 Assessable income for business
- Allowable Deductions - Division 8 Business tax deductions
- Taxable Income Division 4 - Work out your business's taxable income
- Tax Offsets Division 13 - Business concessions, offsets and rebates

MARKING GUIDE

The candidate must develop six (6) questions they could ask their manager, Peter Pollock, to confirm that the data they have gathered is complete and that they have correctly applied relevant tax legislation to the data.

a. Questions for Peter Pollock

The candidate's response must demonstrate that they understand:

- Assessable Income - Division 6 Assessable income for business
- Allowable Deductions - Division 8 Business tax deductions
- Taxable Income Division 4 - Work out your business's taxable income
- Tax Offsets Division 13 - Business concessions, offsets and rebates

The candidate's questions must relate to completing and lodging a business tax return.

[Company tax return instructions 2022 | Australian Taxation Office \[ato.gov.au\]](#)

[Lodging a tax return for your business | Australian Taxation Office \[ato.gov.au\]](#)

Although not an exhaustive list, examples of questions could include the following:

- Are all the expenses claimed by Concord Mechanical Workshop Pty Ltd deductible, and is there adequate documentation to support them?
- Have all payroll and GST liabilities been reported and paid?
- Are there any fringe benefits tax (FBT) implications?
- Are fines an allowable deduction.
- Are the assets purchased by Concord Mechanical Workshop Pty Ltd depreciated or expensed in the 2022 tax year?
- Are donations an allowable deduction?
- Are bad debts an allowable deduction?
- Are there any capital gains tax (CGT) implications for the business?

- b. Identify **three (3) discrepancies** that need to be investigated further. Conduct research to resolve these discrepancies and provide a link to the source you used to obtain the information to address them.

The questions and discrepancies you list will be used for the role play, Part B: Obtain advice and guidance from a specialist.

MARKING GUIDE

The candidate must list (3) discrepancies requiring further research and include a link to where they sourced the information to resolve them.

b. Discrepancies that may require further research to resolve

The candidate must demonstrate that they can research discrepancies that relate to:

- Assessable Income - Division 6 [Assessable income for business](#)
- Allowable Deductions - Division 8 [Business tax deductions](#)
- Taxable Income Division 4 - [Work out your business's taxable income](#)
- Tax Offsets Division 13 - [Business concessions, offsets and rebates](#)

Discrepancies the candidate research must relate to completing a business tax return.

Although not an exhaustive list, examples of discrepancies the candidate research could include:

- Information that needs to be included in a company tax return.
[Company tax return instructions 2022 | Australian Taxation Office \[ato.gov.au\]](#)
- Income and deductions for tax purposes
[Income and deductions for business | Australian Taxation Office \[ato.gov.au\]](#)
- Assessable income for businesses
[Assessable income | Australian Taxation Office \[ato.gov.au\]](#)
- Allowable deductions
[Deductions | Australian Taxation Office \[ato.gov.au\]](#)
- Small business entity eligibility.
[3. Status of company | Australian Taxation Office \[ato.gov.au\]](#)
- Lodging BAS
[How to lodge your BAS | Australian Taxation Office \[ato.gov.au\]](#)
[Fixing BAS mistakes or making adjustments | Australian Taxation Office \[ato.gov.au\]](#)
- PAYG payments
[Pay as you go \(PAYG\) withholding | Australian Taxation Office \[ato.gov.au\]](#)
- Superannuation payments
[Super for employers | Australian Taxation Office \[ato.gov.au\]](#)
- Prepaid expenses
[Deductions | Australian Taxation Office \[ato.gov.au\]](#)
- Claiming a tax deduction for business travel expenses
[Deductions for travel expenses | Australian Taxation Office \[ato.gov.au\]](#)
- Claiming a deduction for motor vehicle expenses
[Deductions for motor vehicle expenses | Australian Taxation Office \[ato.gov.au\]](#)
- Claiming a tax deduction for parking fines
[Parking Fines | ATO Community](#)
- Depreciating assets in the 2022 tax year
[What's new for small business | Australian Taxation Office \[ato.gov.au\]](#)
[Instant asset write-off | Australian Taxation Office \[ato.gov.au\]](#)
[Temporary full expensing | Australian Taxation Office \[ato.gov.au\]](#)
- Fringe Benefit Tax
[Fringe benefits tax | Australian Taxation Office \[ato.gov.au\]](#)
- Claiming a deduction for donations
[Tax deductible donations | Australian Taxation Office \[ato.gov.au\]](#)

- Claiming a deduction for income that cannot be recovered from a customer or debtor. [Deductions for unrecoverable income \(bad debts\) | Australian Taxation Office \(ato.gov.au\)](#)
- Is capital gains tax applicable for property purchased and sold in the financial year? [Guide to capital gains tax 2022 | Australian Taxation Office \(ato.gov.au\)](#)

A link to other discrepancies the candidate may list can be found on the ATO website [A-Z index | Australian Taxation Office \(ato.gov.au\)](#)

c. Access [FNSACC601_02_CaseStudy_Company-tax-return-2022-eform-reader](#).

Use the taxation data from Concord Mechanical Workshop Pty Ltd to complete Page 3 and Page 4 (Information statement 6 Calculation of total profit or loss).

Save the eform on your desktop using the naming convention:

Student Name_ FNSACC601_02_CaseStudy_Company-tax-return-2022.

This eform will be used during Part B: Role Play. Provide a screenshot of pages 3 and 4 in the table below.

c. Reconciliation of Net Profit / Loss to Taxable Income

Provide a screenshot of pages 3 and 4

Information statement – To be completed by all companies

6 Calculation of total profit or loss

Income

Gross payments subject to foreign resident withholding (excluding capital gains)	B S	<input type="text"/>	· X									
Gross payments where ABN not quoted	A S	<input type="text"/>	5	3	1	9	· X					
Other sales of goods and services	C S	<input type="text"/>	3	2	4	6	8	1	· X			
Gross distribution from partnerships	D S	<input type="text"/>	· X	/	<input type="text"/>	CODE						
Gross distribution from trusts	E S	<input type="text"/>	· X	/	<input type="text"/>	CODE						
Forestry managed investment scheme income	X S	<input type="text"/>	· X									
Gross interest	F S	<input type="text"/>	1	2	5	· X						
Gross rent and other leasing and hiring income	G S	<input type="text"/>	3	8	6	4	3	· X				
Total dividends	H S	<input type="text"/>	· X									
Fringe benefit employee contributions	I S	<input type="text"/>	3	5	0	0	· X					
Assessable government industry payments	Q S	<input type="text"/>	2	5	0	0	· X	/	<input type="text"/>	CODE		
Unrealised gains on revaluation of assets to fair value	J S	<input type="text"/>	· X									
Other gross income	R S	<input type="text"/>	· X	/	<input type="text"/>	CODE						
Total income	S S	<input type="text"/>	3	7	4	7	6	8	· X	/	<input type="text"/>	CODE

6 Calculation of total profit or loss – continued

Expenses

Foreign resident withholding expenses (excluding capital gains)	B	\$	□□□□, □□□□, □□□□, □□□□.00	✕
Cost of sales	A	\$	□□□□, □□□□, 38,750.00	✕ / □
Contractor, sub-contractor and commission expenses	C	\$	□□□□, □□□□, □□□□.00	✕
Superannuation expenses	D	\$	□□□□, □□□□, 28,866.00	✕
Bad debts	E	\$	□□□□, □□□□, □□□□.00	✕
Lease expenses within Australia	F	\$	□□□□, □□□□, 4,236.00	✕
Lease expenses overseas	I	\$	□□□□, □□□□, □□□□.00	✕
Rent expenses	H	\$	□□□□, □□□□, 12,000.00	✕
Interest expenses within Australia	V	\$	□□□□, □□□□, □□□□.85	✕
Interest expenses overseas	J	\$	□□□□, □□□□, □□□□.00	✕
Royalty expenses overseas	U	\$	□□□□, □□□□, □□□□.00	✕
Royalty expenses within Australia	W	\$	□□□□, □□□□, □□□□.00	✕
Depreciation expenses	X	\$	□□□□, □□□□, 8,419.00	✕
Motor vehicle expenses	Y	\$	□□□□, □□□□, 2,300.00	✕
Repairs and maintenance	Z	\$	□□□□, □□□□, 295.00	✕
Unrealised losses on revaluation of assets to fair value	G	\$	□□□□, □□□□, □□□□.00	✕
All other expenses	S	\$	□□□□, □□□□, 351,622.00	✕

Complete and attach an *International dealings schedule 2022*.

Do you have a non-resident withholding payment or reporting obligation? See instructions.

Total expenses Q \$ □□□□, □□□□, 446,574.00 ✕ / □

Total profit or loss

Subtract Total expenses **Q** from Total income **S** **T** \$ □□□□, □□□□, -71,805.00 ✕ / □

Marking criteria Part, A: Identify taxation requirements for complex lodgements and returns

Assessment submission checklist

Students must have completed all tasks within this assessment before submitting. This includes:

Part A		
1.	Client details form for 3 clients	<input type="checkbox"/>
2.	Balance Sheet	<input type="checkbox"/>
	Profit and Loss Report	<input type="checkbox"/>
3.1	Evidence of research from the ATO website (website link)	<input type="checkbox"/>
3.2	Table Key Changes	
4.1	Taxation Data Report	<input type="checkbox"/>
5.1	Questions and reconciliation including a list of at least 6 questions, three discrepancies and screenshot of page 3 and 4 of the Company Tax Return	<input type="checkbox"/>

Assessment marking criteria (only use for documents)

Assessor instructions: All sections must be completed. Refer to the template for sample answers and benchmarks.

The evidence submitted demonstrates that the student has satisfactorily (S) covered the following criteria, or the evidence is not yet satisfactory (NYS) and requires resubmission.

MARKING CRITERIA		Satisfactory (S)	Not Yet Satisfactory (NYS)
1.	The student completed the Client detail forms for 3 clients. All fields were completed according to the benchmark. Assessor to mark according to Client detail form Assessor benchmark.	<input type="checkbox"/> S	<input type="checkbox"/> NYS
2.	The student collected client data and completed the Balance Sheet and Profit and Loss Report Assessor to mark according to the Balance Sheet and Profit Loss in the assessor benchmark guidance.	<input type="checkbox"/> S	<input type="checkbox"/> NYS
3.	The student conducted research using the ATO website including: <ul style="list-style-type: none"> • correct website link • table to completed with five (5) key changes. All fields were completed according to the benchmark. Assessor to mark according to the table in the assessor benchmark guidance.	<input type="checkbox"/> S	<input type="checkbox"/> NYS
4.	The student completed the Taxation Data Report . All fields were completed according to the benchmark. Assessor to mark according to Taxation Data Report in the assessor benchmark guidance.	<input type="checkbox"/> S	<input type="checkbox"/> NYS
5.	The student completed the Questions and Reconciliation including:	<input type="checkbox"/> S	<input type="checkbox"/> NYS

	<ul style="list-style-type: none">• minimum of six questions• identified three discrepancies that need to be investigated further• completed page 3 and 4 of the Company tax return		
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Task 6 - Role Play

Task instructions (for the student) Part B: Obtain advice and guidance from specialist role play (observation)

You will complete a role-play activity with your assessor.

You must complete and submit Part A: Identify taxation requirements for complex lodgements and returns before this assessment Part B.

Role play instructions

The role-play/meeting will include two participants, you and the assessor (acting as a specialist), must not exceed 15 minutes duration and must address all elements of the Observation Checklist below.

Contact your assessor to organise a time to conduct the role play. This assessment can be conducted in a face-to-face environment or a simulated online office environment using a system such as Zoom, Skype or Teams.

If the assessment is conducted using a simulated online office environment using simulated meeting software, consent to participate in the recording must be captured for all participant/s at the start of the meeting. This is achieved by the student reading the following statement at the start of the recording, with all participants replying their name and job title to inform consent.

"This session/presentation is being recorded for assessment purposes for my course with Swinburne Open Education. This session will be recorded and submitted through my course online learning platform to my assessor for grading. All participant/s in this session indicate their consent to be included in this recording by stating their name and job title."

The time taken to capture consent at the start of the recording does not count towards the recording time limit.

Include this recording as part of your assessment submission.

Role play instructions

In this role-play, you will act as a Bookkeeper and BAS Agent with Sydney Tax Agents. Your trainer/assessor will play the role of Peter Pollock, a business tax specialist at Sydney Tax Agents.

Peter Pollock has asked you to assist him in gathering information and preparing the tax return for Concord Mechanical Workshop Pty Ltd. Peter (your assessor) will assist in moderating your decision process. The owner of Concord Mechanical Workshop is John Edwards.

While the accounting records and reports document details of business transactions for Concord Mechanical Workshop Pty Ltd, they are insufficient to substantiate some figures that need to be reported their tax return. Peter Pollock has requested a meeting to review your work and evaluate your decision process.

Role play context

Sydney Tax Agents is a reputable tax agent business located in New South Wales (NSW), Australia. The business specialises in providing a wide range of tax and accounting services to individuals and small businesses across the state.

With over ten years of experience in the industry, Sydney Tax Agents has built a strong reputation for providing high-quality services and exceptional customer support. The business is run by a team of qualified and experienced tax agents committed to providing accurate and reliable tax solutions to their clients.

Trainer/Assessors Role

Your trainer/assessor will role play Peter Pollock, a business tax specialist at Sydney Tax Agents. Peter Pollock has asked you to assist him in gathering information and preparing the tax return for Concord Mechanical Workshop Pty Ltd. Your assessor will assist in moderating your decision process.

Steps

1. Prepare for the meeting by reviewing:
 - your assessment Part A, Task 5: Analyse data
 - Access the completed [FNSACC601_02_CaseStudy_Company-tax-return-2022-eform-reader](#)
 - Review the questions you developed in Task 5 to ensure you have sufficient information to complete all sections of the tax return.
2. Participate in a simulated role-play meeting with Peter Pollock, Business Tax Specialist, Sydney Tax Agents.
During the role-play you must:
 - Explain how you have applied taxation laws to information provided by John Edwards about Concord Mechanical Workshop Pty Ltd.'s financial accounts to calculate total profit or loss in [FNSACC601_02_CaseStudy_Company-tax-return-2022-eform-reader](#)
 - Discuss the questions you developed in Task 5 with Peter Pollack to verify you have correctly applied company taxation legislation when analysing the information you received
 - Obtain guidance from Peter Pollack to evaluate and moderate your decision process
 - Develop a contingency plan to address any anticipated problems in completing Concord Mechanical Workshop Pty Ltd.'s tax return
 - Effectively participates in verbal exchanges using active listening and questioning techniques to elicit, clarify and confirm information.

Role play instructions

The role-play/meeting will include two participants, you and the assessor (acting as a specialist), must not exceed 15 minutes duration and must address all elements of the Observation Checklist below.

Contact your assessor to organise a time to conduct the role play. This assessment can be conducted in a face-to-face environment or a simulated online office environment using a system such as Zoom, Skype or Teams.

If the assessment is conducted using a simulated online office environment using simulated meeting software, consent to participate in the recording must be captured for all participant/s at the start of the meeting. This is achieved by the student reading the following statement at the start of the recording, with all participants replying their name and job title to inform consent.

"This session/presentation is being recorded for assessment purposes for my course with Swinburne Open Education. This session will be recorded and submitted through my course online learning platform to my assessor for grading. All participant/s in this session indicate their consent to be included in this recording by stating their name and job title."

The time taken to capture consent at the start of the recording does not count towards the recording time limit.

Include this recording as part of your assessment submission.

Christmas parties and gifts

If your business holds a Christmas party:

- on a working day, on your business premises, and only for your current employees, you don't pay fringe benefits tax (FBT) for the food and drink
 - off your business premises, or the party includes associates of employees (such as their partners), you don't pay FBT if the party is a minor benefit – that is, the cost for each person is less than \$300, and it would be considered unreasonable to treat it as a fringe benefit
 - that includes clients, you don't pay FBT for the costs relating to the clients.

If you give your employees a Christmas gift, you don't pay FBT if the value of the gift is less than \$300 per person, and it would be considered unreasonable to treat it as a fringe benefit.

[Common entertainment scenarios for business | Australian Taxation Office \[ato.gov.au\]](#)

• Bad Debt

The \$2,500.00 bad debt is not an allowable deduction.

A debt to a business that is unpaid and deemed to be a “bad” debt can be an allowable deduction as long as it was included as assessable income in the present or even a previous income year and that it is written off as “uncollectable” in the same year that a deduction is claimed.

NOTE: A company cannot deduct a debt that it writes off as bad on the last day of the year if the debt was incurred on that day ([details here](#)). Any bad debt for which an amount is recouped may be included in assessable income.

[Deductions for unrecoverable income \[bad debts\] | Australian Taxation Office \[ato.gov.au\]](#)

• Depreciation

John has opted to depreciate all assets costing \$1,000.00 or more and expense all machinery and equipment costing less than \$1,000.00.

Businesses with an aggregated turnover of less than \$5 billion (or corporate tax entities satisfying the alternative test) may deduct the full cost of eligible depreciating assets if the assets were:

- first held after 7.30 pm AEDT on 6 October 2020, and
- first used, or installed ready for use, by them for a taxable purpose during 2021–22.

• Choose to opt out of temporary full expensing for these items

You can make a choice to opt out of temporary full expensing for an income year on an asset-by-asset basis if you are not using the simplified depreciation rules.

You must tell us your choice to opt out:

- in your tax return
- by the day you lodge your tax return for the income year to which the choice relates.

[Simpler depreciation for small business | Australian Taxation Office \[ato.gov.au\]](#)

• FBT Employee Contribution

Tom made an employee contribution of \$3,500.00 towards the cost of the card in the 2022 FY.

An employee contribution paid directly to a business (including those received by offsetting against amounts owed to an employee) is included in your assessable income.

[Fringe benefits tax - a guide for employers | Legal database \[ato.gov.au\]](#)

COVID-19 Supporting Apprentices and Trainees wage subsidy of \$2,500.00.

Include with assessable government industry payments [Q]

[Information statement – items 6 to 25 | Australian Taxation Office \[ato.gov.au\]](#)

- **Donations**

Cantoo donation is deductible.

Concord soccer club is not a deductible gift recipient (DGR); therefore, the donation is not deductible.

Businesses can claim gifts to charity – as long as it is a cash gift and the charity is a deductible gift recipient.

[Gifts and donations | Australian Taxation Office \[ato.gov.au\]](#)

- **Parking Fines**

Parking Fine, Super Guarantee Charge and Super Guarantee Charge Interest are not allowable deductions.

Penalties that include fines are not an allowable deduction under Section 26.5 of the Income Tax Assessment Act 1997.

http://classic.austlii.edu.au/au/legis/cth/consol_act/itaa1997240/s26.5.html

- **Prepaid Expenses**

The \$5,000.00 Prepaid Expense is immediately deductible.

A prepaid expense may be immediately deductible if:

- it is 'excluded expenditure'
- 'the 12-month rule' applies
- it relates to a 'pre-RBT (Review of Business Taxation) obligation'.

[General information about prepaid expenses | Australian Taxation Office \[ato.gov.au\]](#)

Leave Provisions, Wages, Bonus & Super

Can claim a deduction for any wages, leave and super actually paid to employees during the period.

[Deductions for salaries, wages and super | Australian Taxation Office \[ato.gov.au\]](#)

Develop a contingency plan to address any anticipated problems in completing Concord Mechanical Workshop Pty Ltd.'s tax return – during the above tasks the student must develop a contingency plan based on the information provided. The contingency plan will be different for each student and based on any of the points discussed above. For example, going back to the client to ask for more information. Advising of alternative methods to decrease deductions.

There is no submission due date for this task.

Review all evidence and mark using the assessment checklist and marking criteria listed below.

Marking criteria Part B: Obtain advice and guidance from specialist role play (observation)

Observation checklist

The assessor observed the student skills and satisfactorily [S] covered the following criteria or not yet satisfactory [NYS] and requires re-assessment.

MARKING CRITERIA / OBSERVATION CHECKLIST (To be completed by the Assessor when they watch the video or observe the assessment in real-time as they conduct the assessment)		Satisfactory [S]	Not Yet Satisfactory [NYS]
1.	<p>Explain how you have applied taxation laws to information provided by John Edwards about Concord Mechanical. Workshop Pty Ltd.'s financial accounts to calculate total profit or loss in FNSACC601_02_CaseStudy_Company-tax-return-2022-eform-reader</p> <p>Look for:</p> <ul style="list-style-type: none"> The candidate has explained their computation of Concord Mechanical Workshop Pty Ltd.'s total profit and loss. 	<input type="checkbox"/>	<input type="checkbox"/>
2.	<p>Asked Peter [assessor] a minimum of 5 questions to verify if they have correctly applied company taxation legislation when analysing the information received</p> <p>Developed contingency planning to address an anticipated problem.</p> <p>Look for:</p> <ul style="list-style-type: none"> The candidate used the questions developed to demonstrate they have researched and critically analysed business tax information from a range of sources to identify key aspects of tax legislation relevant to the requirements of Concord Mechanical Workshop Pty Ltd. Develop a contingency plan to address any anticipated problems in completing Concord Mechanical Workshop Pty Ltd's tax return 	<input type="checkbox"/>	<input type="checkbox"/>
3.	<p>Obtain guidance from Peter Pollack to evaluate and moderate your decision process</p> <p>Look for:</p> <ul style="list-style-type: none"> Provided detailed information about the discrepancy and what steps they have taken to investigate it Share relevant documents reviewed to help explain discrepancy Summarise their findings and explain how they applied the Income Tax Assessment Act 1997 to the discrepancy. 	<input type="checkbox"/>	<input type="checkbox"/>
4.	<p>Develop a contingency plan to address any anticipated problems in completing Concord Mechanical Workshop Pty Ltd.'s tax return</p>	<input type="checkbox"/>	<input type="checkbox"/>
5.	<p>Effectively participate in verbal exchanges using active listening and questioning techniques to elicit, clarify and confirm information.</p> <p>Look for:</p> <ul style="list-style-type: none"> Asked open-ended questions that require a more detailed response Used probing techniques to encourage the assessor to elaborate their answer Used active listening skills by listening without interrupting, looking at the speaker and paraphrasing. 	<input type="checkbox"/>	<input type="checkbox"/>

Congratulations, you have reached the end of Assessment 2!

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