

Tax TIPS

FOR YOU

Want to make more money? Professional Accountant Dehan Bronkhorst gives you some tips on how you can save on tax!



As an Annique Consultant, you need to be aware of the fact that both your "rebate" and "personal sales" income streams, are subject to income tax. "Aww no really!" you might say, but do not worry, there are legal ways for you to reduce the amount of income tax that you have to pay to SARS every financial year.

Your Annique business not only generates income, but you also have to spend some of that well-earned cash in order to run your business, right? Like; fuel and insurance for your car, office stationery, entertainment, rewards and gifts, and do not forget, you buy Annique products to sell to your own customers. Any expense that is directly related to your Annique business will be deductible against any Annique related income.

So how do you save on tax? It is very important for you to keep good records of all your Annique transactions (income and expenses) in order for your accountant to draw up an income statement to determine your taxable income. Remember: you can only claim expenses that you can prove! Here is a simple illustration to give you an idea of what an income statement looks like:

Income Statement of Jane Doe For the Year ended 28 February 2019

Annique Income
(Annique Additional Discount received in your bank account)

+

Personal Sales
(Off Invoice Discount received / total Personal Sales)

=

Total Income

Less: Cost of sales (Annique product purchases)

= **Gross income**

Less: Operating expenses (directly related to your Annique business)

=

Nett income before tax
(Less tax liability) **Nett income after tax**

This outline is just to explain how your income tax liability is calculated in order for you to start your tax saving journey. I highly recommend that you partner with a good accountant that can fill in the details on your behalf; someone with an attention to detail that understands how your Annique business works.

"Saving on tax" means spending your income smarter by reinvesting into your business and in doing so adding more value to your customers and consultants. Which brings me to my next point:

Benjamin Franklin once said: "If you fail to plan, you are planning to fail". Make time every month to plan and make your financial decisions ahead of time. This will help you to spend your money wisely in the moment rather than acting on emotions that you will later regret. For every person this process of planning might look different, and that is ok, just do it! I call this my "Pre-decision planning method".

Pre-decisions are such powerful tools to set a few "fail-safes" in place to help you make the right decision when it matters most. It's like having your own body double counsellor at your side when you have to make crucial decisions about your finances. Allocate your income to certain important expenses that you know you have to make every month. For example; cellphone contract, office rent, fuel, and other overheads that you might have. With that sorted, you can start by looking at your calendar for the month and start to plan for team meetings, recruitment coffee dates and other variable expenses. Your expenses will never be exactly the same month-on-month, but the one thing to know is that they will be there no matter what.

The purpose of this exercise is to put more money in your pocket at the end of the day. We are in business to make a profit, grow our networks and make a difference in people's lives. You can only do that if you are in it for the long haul. The key to longevity is sustainability. A successful Annique business is a sustainable one that can handle the ups and downs that the economy throws at it.

Spend your income SMARTER; PLAN, FLOURISH, ENJOY.

