Pride beats panic as the most common feeling for small businesses during EOFY, Xero research finds

Melbourne, 20 June 2019 - Global small business platform Xero today released research on Australian small business owners’ attitudes and feelings towards their end of financial year (EOFY) reporting and compliance requirements.

Contrary to popular opinion that it’s a difficult time of year, Xero’s research found small businesses had a mostly positive outlook, with the most prevalent emotions being pride (43 percent) and joy (21 percent). Only one in eight small business owners (12 percent) cited panic.

The survey revealed that most small businesses (80 percent) used EOFY to sum up their business’ achievements, with the majority (78 percent) also using this time to self-reflect on whether business objectives had been achieved in the past financial year.

Matthew Prouse, Head of Industry at Xero, said that while managing EOFY and tax time, could be overwhelming for some business owners, it wasn’t purely a time of stress.

“For most small business owners, EOFY is a positive time – a time for review, reflection, and refreshing the outlook for the new financial year ahead. But if you’re feeling stressed about all of the paperwork required with tax time – you’re not alone. I’d look at it like a reminder to book an appointment with a registered BAS or tax agent.” he said.

“Almost half (47 percent) of the small business owners polled said the EOFY and tax time period was one of the more stressful aspects of running a business – almost as stressful as finding new clients or customers, which was the case for 49 percent of respondents.”

Mr Prouse added that the research also revealed some helpful insights from small business owners on how they manage to get through tax time with a spring in their step.

“Our research polled many small business veterans who’ve been doing what they love for more than a decade, and their perspective on tax time could be invaluable for business owners who are just starting out,” he added.
These tips include:

- **Consider tax time as an opportunity to truly understand how your business is performing.** This was a viewpoint shared by four in five (81 percent) of small business owners polled. Three in four (77 percent) also said they enjoyed getting their taxes completed and seeing what they had achieved in the past financial year.

- **Get help from a qualified accountant or bookkeeper for annual business tax reporting.** This was the avenue turned to by 89 percent of business owners as a way to manage EOFY stress, with three in five (70 percent) saying it enabled them to be more confident that everything was in order, and 69 percent agreeing that accountants and bookkeepers were more abreast of changes to legislation than they were.

- **Use your accountant as a source of support.** The research revealed 78 percent found their relationship with their accountant was the most valuable source of support in running their business. Further, business owners were more future-driven when seated in front of their accountant, with the majority (69 percent) feeling they would receive strategic counsel on how to move the business forward.

- **Get organised.** Three in five (62 percent) small business owners said having systems and processes in place helped them feel in control of the business, while 57 percent said getting everything they needed to make important decisions helped.

- **Remember why you started your small business in the first place.** Of the business owners who said they felt they were losing control of their business, more than half (59 percent) said getting clarity on the business’ direction helped them get control back. Other helpful practices included: reminding themselves of the reason for starting (56 percent) and seeking support from their accountants/advisors (37 percent).

ENDS

**Notes to Editor:** 500 small businesses owners, with one to 19 employees, from across Australia were surveyed in June 2019. Research was commissioned by Xero and conducted by CoreData.

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**About Xero**
Born in the cloud, Xero is a beautiful, easy-to-use platform for small businesses and their advisors. Xero provides its 1.8 million subscribers with connections to a thriving ecosystem of 700+ third party apps and 200+ connections to banks and financial service providers. On the inaugural 2018 Financial Times FT1000 High-Growth Companies Asia Pacific list, Xero was the fastest growing tech company in the $200 million+ segment. Xero won ‘Bookkeeping software of the year’ from the Institute of Certified Bookkeepers UK in 2018, and was rated by Canstar Blue as Australia’s best accounting software over four consecutive years, 2015-2018.