

Two Flights Up

Autumn 2006
Newsletter

Business & Accounting Solutions

Chartered Accountants & Business Coaches



Building
Better Businesses



Hugh's Views...

Welcome to 2006 even if we are now almost 25% of the way through the year.

From a personal point of view it has been good to put the dramas of last year behind us and get off to a fresh start to the year, with our main focus being how we can improve our service to clients.

An integral part of this process has been the appointment of Paul Checketts to our organisation. Paul comes to us from a large accounting practice in Invercargill where he was the Chief Executive Officer. Paul has come to Central to have a change of lifestyle and part of that is working with us for four days a week around about 10 months of the year – a goal that I am sure many of us would like to achieve.

Paul's role in our practice is 50% administration and 50% on client work. While he may not take a leading role in dealing directly with clients, he will have a strong influence in the work that is done "out the back" reviewing and helping our team to achieve the standards we are setting ourselves for both our internal work and of course our service to clients. It will also mean that my own time will be freed up considerably to enable me to spend more time on client work and to some extent the same with both George and Leo.

BALANCE DATE QUESTIONNAIRES

You will have received these by the time you get this newsletter. These are an important part of our annual accounting process as the aim of them is for us to receive all the information we need before we start the job to make the process much quicker and the result more accurate. An important part of this is to sign the Terms of Engagement as part of that confirms that we are authorised to act on your behalf

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with the Inland Revenue Department. Over the past few months the Department has been requesting confirmation that we hold written authority to act on your behalf. Your co-operation would be appreciated.

EMPLOYMENT CONTRACTS & ACC

Elsewhere in this newsletter there are some items on Employment Contracts and ACC. This is an annual hardie, but we do stress the importance of having employment contracts and ACC still seems to confuse most of our clients and we are trying to develop a process where this can be alleviated.

GOALS FOR 2006

One of our goals this year is to provide more support and training to our clients who wish to be involved. This will mean a number of presentations on helping you to run your business better scattered throughout the year. One of the major items that I will be involved in will be Succession Planning which, as more of us get to start thinking about where we want to be in five or 10 years, and how long we wish to remain working, becomes very important.

BRANDING

One of the important factors we have established is that the "brand" of Business & Accounting Solutions is not particularly well known. We will do something about that this year with some marketing/advertising planned to make more people aware of who we are and what we can do. Don't expect anything along the lines of full page adverts or TV commercials, this will be done on a low key and local basis which, over time, tends to bring the best results.

REFERALS

Another important item that we have finally achieved (after working very hard over the last couple of years) is to find that after developing our internal systems and processes, we have some spare capacity. We are therefore looking to expand our client base and, as always, if you have been happy with our work, then we would appreciate you telling others. We do have the capacity to take on more clients, and it is our preference that these have similar profiles to our existing clients.

In the course of our promotional work we will be emphasising our ability to provide prompt service. While I am sure there will be one or two of our clients who would wonder about our claims, we can assure you that in the majority of cases we meet our goals for client service standards. Sometimes we cannot help those who do not help themselves.

We are all looking forward to the new accounting "season" and we are busy preparing ourselves for the rush which no doubt will start occurring near the end of April. We look forward to meeting with you when reviewing your information this year.

Hugh

Tax Changes you should know about...



1. CHANGES TO THE WITHHOLDING TAX RULES

AGRICULTURE, HORTICULTURE & VITICULTURE

From 1 April 2006, if you hire any type of contractor (individual, partnership, trust, or company) for services or work related to the pruning or thinning of fruit trees or vines, or the picking or packing of fruit or grapes you must deduct withholding tax from the contractor's payments at the rate of 15 cents in the dollar, unless the contractor has a certificate of exemption or a certificate authorizing deductions at a lower rate.

TAKING ON A CONTRACTOR OR SUBCONTRACTOR

Here's what you need to do...

Whether you're a grower hiring a contractor, or a contractor hiring a subcontractor, your responsibilities under the new rules are to:

- Register with the IRD as an employer from the 1st of April 2006.
- Deduct withholding tax from payments for all contracted thinning, picking, packing or pruning activities, unless a valid certificate of exemption or special tax code certificate is presented.
- Record the gross payments made in your employer monthly schedule, whether you deduct withholding tax or not.

Please contact us if you require any assistance with these changes.

2. MINIMUM WAGE INCREASED

The minimum **adult wage**, which applies to people 18 years and over, has increased from \$9.50 to **\$10.25** an hour from 27th March 2006, the largest increase since the Labour-led government came into office in 1999.

The minimum **youth wage**, for workers aged 16 and 17 years - has also increased by nearly 8%, from \$7.60 to **\$8.20** per hour, to stay at 80% of the adult minimum wage. The minimum training wages will increase to the same rate.

3. INCREASING FAMILY ASSISTANCE FROM 1 APRIL 2006

The income thresholds for Family Assistance paid by the Government will increase on the 1st April 2006 to include families with higher incomes.

If you think you are eligible you should apply now. Visit the website www.workingforfamilies.govt.nz for full details of the new thresholds and application forms.



ACC

Is your level of ACC cover too high or too low?

With ACC CoverPlus Extra...

- Self employed have the opportunity to control their level of ACC cover and therefore keep some control over premium costs.
- You obtain absolute certainty as to the amount of weekly compensation you will collect in the event of an accident.
- You collect 100% of the agreed level of weekly compensation regardless of whether your ongoing business profit is good or bad ie you do not have to prove a loss to collect.
- ACC CoverPlus Extra is a particularly useful option for newly self employed and for businesses which have fluctuating income levels.

For assistance with your ACC Cover contact Leo Hulme of our office.

Employment Agreements

Do you have a written Employment Agreement for each of your Employees?

By law employers must now have a written agreement for all employees. This is required under S65 of the Employment Relations Act 2000. **A fine of up to \$2,000 per employee is possible for non compliers.**

Having a signed employment agreement in place provides certainty of each employees terms and conditions and may help prevent expensive employment disputes from arising.

Employment Agreements can be obtained from:

- Your Solicitor
- Business & Accounting Solutions
- An employment relations consultant
- The Employers Association
- The Employment Relations Service (Labour Department)



Please contact Leo Hulme of our office if you would like further information or if you would like us to assist with your Employment Agreements.

Our Firm 2006

We are committed to forming close partnerships with our clients. This way we can understand your unique situation and customise the assistance we provide to suit your needs.

Our commitment to excellence is reflected in the hardworking nature of our staff, and the exceptional service we offer.

Our enthusiasm for our work means you are provided with a friendly team of professionals who are eager to use their expertise to help you succeed.

CLIENT ADVISORS

Hugh McIntyre
George Flannery
Leo Hulme
Paul Checketts
(also Practice Manager)

ACCOUNTING TECHNICIANS

Sue Murdoch
Patti Haig
Cathy Dann
Kathryn Ingram
Maxine Drabble

SUPPORT

Sandra Waitoa
Georgie Robertson
Ellen Colligan



It's a Girl!

Claire Crowe recently left the team for another round of Maternity Leave. Congratulations to Claire & Eddie who welcomed Billie into their family, on the 9th of March. Big sister Bronte just loves her new little playmate.

We look forward to Claire joining us again later in the year.

Growing Your Business!



Maybe you are a successful business operating in a highly skilled or niche market, attracting plenty of customers and enjoying good profits. If not, chances are you'll be constantly looking for ways to grow your business. But how?

Ideally you want a steady stream of customers through your door but that's a struggle if you operate in a competitive market. You need to instigate strategies to grow your business – either increasing the total number of customers or increasing the number of sales from your existing customers. A winning marketing plan would include both strategies.

Remember though that solid market research must be the foundation for any marketing plan. At the very least you need to know:

- ✦ What people want – do people want your product and who are they?
- ✦ How much will they pay for it?
- ✦ Where will they go to buy it?
- ✦ How will you tell them about it?

These are the 4 Ps of marketing – selling the right *product*, at the right *price*, in the right *place* with the right *promotion*. The challenge now is bringing the customers to your door.

The Competitive Edge

What makes your business stand out above the rest? To bring more customers to your door, you have to be doing something better or different than everyone else. That 'something' is your competitive edge, or USP (Unique Selling Point)

Analyse your competitors and work out your point of difference. Look at all aspects of your business – what could you capitalise on? For example, a particular manufacturing expertise, back-up or after-hours service, consistently fantastic service, knowledge of individual customers, community involvement, and so on.

Targeted marketing

Once you've worked out why you stand out above the rest, tell your customers and your potential customers about it.

Team Movements

Sarah Bain headed off towards the end of last year to accompany husband Tim to Hamilton. She is now working in an accounting firm there and we look forward to seeing the Bains back in Central sometime in September with a new addition to the family in tow. Congratulations Sarah & Tim.

Products We Support

There are a large number of suppliers offering software solutions for small to medium sized businesses. We are happy to recommend the right product for your business, as well as providing you with comprehensive training.

Please give us a call before you make a software purchase so we can help ensure you buy the software that is most suited to you and your business.



QuickBooks



The MYOB Family

CashManager
The Simpler Alternative



ACE
PAYROLL

BankLink
Streamlined Accounting

BankLink
Streamlined Accounting

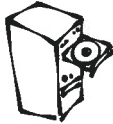
InvoicePlus

BankLink's latest product just released is **InvoicePlus**, an easy to use invoicing and debtors tool suitable for small business owners.

InvoicePlus can be used to raise quotes and invoices as well as track important debtor information.

If you are looking for an easy to use and cost effective accounting solution **InvoicePlus** and **BankLink** may be the answer, contact our office for more details.

**BACK
IT UP!**



**IT IS IMPORTANT TO BACK
UP YOUR DATA REGULARLY!**

We suggest backing up once a week onto CD, say every Friday, and rotating 4 CDs. This will give you one months worth of data to go back to if something goes wrong.

Please contact Kathryn here at the office if you would like our help in putting a backup procedure in place.

Spread The Word!

The Accomplish CashManager Support Desk is now open from

8AM—7PM

Benefit from the
"Awesome Support"
on the Help Desk
11 hours a day
5 days a week

0800 707 111

www.accomplish.co.nz

CashManager
The Simpler Alternative



Editors note:

We don't claim to know it all, so with that in mind here's what we're obliged to say; this newsletter has had input from a variety of sources, people and publications. For all input we are grateful. Grateful and careful. Whenever we can, we do our very best to ensure all the information contained in this newsletter is accurate and timely. If there's something here you plan to place some considerable reliance on and we haven't made the implications totally clear to you, get in touch and we'll clarify it for you.

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Building
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CHARTERED
ACCOUNTANTS