

trialbalance

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Tax Calendar

July 29 – 3rd Instalment
2013 Provisional Tax
(June balance date)

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2014 Provisional Tax
(March balance date).

Build business with a database

A database is arguably the most valuable tool you can use to promote your business. If you have ever wondered about the wisdom of building a database, consider this story.

A young professional has built up a database of 6000 email addresses. He sends regular newsletters to all of them. Occasionally he presents seminars. His last seminar drew 80-90 people.

You can also build a database. Invite every customer, potential customer and any other contact to be on your mailing list. Don't overlook suppliers because they might give you references. If you are going to send out newsletters, make sure they are interesting and have some value to the reader. Many newsletters are a yawn. We trust ours is not one of these.

Some useful newsletter rules to follow are:

- Send them regularly and consistently. When you



feel like it, is not good enough.

- Make each article of value to the reader.
- Use colloquialisms. Using "you" and "your" is fine.
- Make the articles easy to read. Bullet points, short words and short sentences help.

10 ways to show your website some love



1. Update Your Theme. Changing your theme is an easy way to give your site a fresh new look. Try out the dozens of new theme options to see how they'll look on your site! It can be as easy as changing the background or updating the colours.
2. Experiment with Fonts. Fonts are a great way to personalise your site. And, with 20+ new options to choose from, you're sure to find something that suits your design style. Your designer will know the newest trends in fonts and what will make your site stand out.
3. Refresh Your Content. You know all those things that you've been wanting to add to your site? Make them happen and bring your site up to date!
4. Showcase Your Photos. Learn how to use Photo Galleries & Slideshows to make your site more eye catching.
5. Tap into Facebook or Twitter. If you're active on Facebook or Twitter, be sure to connect them to your site for maximum impact.
6. Make it Easy for Visitors to Contact You. Add a contact form so people can easily get in touch with you.
7. Check Your Site Statistics. Get to know your site stats and understand how much traffic is coming to your site.
8. Optimise for Search Engines. Need for traffic? Make sure your site is search engine friendly and optimised for your current content.
9. Update on the go. Do you have the ability to update posts and content from your smartphone? A great way to keep your site up-to-the -minute!
10. Make it Easy for People to find you. If your business or organisation has a physical location, add a map so people can easily find you.

Source : Richard Gee

Gambitsis Crombie

www.gambitsiscrombie.co.nz



12 Tips for better email etiquette

E-mail messaging now exceeds telephone traffic and is the dominant form of business communication. Some attendees at a recent workshop told us that handling e-mail consumes half of their day and recent reports indicate that some workers will soon find themselves spending three to four hours a day on e-mail.

Here are some things to keep in mind regarding professional e-mail conduct:

1. Be informal, not sloppy. It's ok to use commonly accepted abbreviations in e-mail to colleagues, but don't assume your clients will know what they mean.
2. Keep messages brief and to the point. Just because your writing is grammatically correct does not mean that it has to be long. Concentrate on one subject per message whenever possible.
3. Use sentence case. USING ALL UPPERCASE LETTERS LOOKS AS IF YOU'RE SHOUTING. Using all lowercase letters looks lazy. For emphasis, use asterisks or bold formatting to emphasize important words.
4. Use the blind copy (BCC) and courtesy copy (CC) appropriately. BCC when sending to a large distribution list, or CC when you want to keep a few people directly involved. Don't overuse either, as it clutters other people's inboxes.
5. Don't use e-mail as an excuse to avoid personal contact. Don't forget the value of face-to-face or even voice-to-voice communication. Don't use e-mail to avoid an uncomfortable situation or to cover up a mistake.
6. Remember that e-mail isn't private. E-mail is considered company property and can be retrieved, examined, and used in a court of law. Always keep the content professional to avoid embarrassment.
7. Be sparing with group e-mail. Send group e-mail only when it's actually useful to every recipient and only if you have something to add.
8. Use the subject field to indicate content and purpose. Agree on acronyms to use with colleagues that quickly identify actions.
9. Don't forward on chain letters, virus warnings, or junk mail and direct personal e-mail to your home e-mail account.
10. Remember that your tone can't be heard in e-mail. Have you ever attempted sarcasm in an e-mail, and the recipient took it the wrong way? E-mail communication can't convey the nuances of verbal communication.
11. Use a signature that includes contact information. Businesses often have a standard format prepared that you should use, so check with your manager or someone else in the office if there are company signature guidelines.
12. Summarise long discussions. Instead of continuing to forward a message string, take a minute to summarise it for your reader. You could even highlight or quote the relevant passage, then include your response.

Use these suggestions as a starting point to create e-mail etiquette rules that will help your team stay efficient and professional when communicating with clients, customers and colleagues.

Source : KiwiHost

New Accident Compensation (ACC) Payment Arrangements

ACC have four different payment options available for accident compensation levies.

The first is the one-off payment which is how you will have previously paid for your ACC premium. However there are three new payment options available to you and they are:

4- 6 Month Direct Debit (Long Payment Plan)

The total plan amount needs to be \$500.00 (excluding GST), or more and is to be paid via direct debit over 4, 5 or 6 months. The payment frequency can either be fortnightly, or monthly on the day/date that you choose. There is no extra cost to the customer for selecting this plan and the timeframe of payments can be chosen to suit the customer. However this plan will not roll-over in future years, and the customer will need to contact ACC each year that they would like to set this up.

7-10 Month Direct Debit (Instalment plan)

The total plan amount's need to be \$500.00 (excluding GST), or more and are to be paid via direct debit over 7, 8, 9 or 10 months. The direct debits can only be monthly on the date the customer chooses. There is a 5.4% admin fee associated with this plan unlike the 4-6 month plan which is at no extra cost to the customer. This plan will roll over in future years if the invoices are eligible, however the system will automatically default to a 10 month arrangement. If the customer would like a shorter term, then the customer will need to contact us to arrange this. Please note that instalment plans roll over on day 35.

With both the 4-6 and 7-10 Month direct debit plans, if ACC does not have the customer's bank details in the system, you will need to complete an ACC1768 - direct debit or instalment payments form.

3 Month Automatic Payment (Short payment plan)

A 3 month payment plan can be offered for any invoice amount where the customer pays a third of their balance each month. The customer is responsible for making the payment and they can do this by automatic payments, or via the usual means of cheque, credit card, internet banking etc. There is no extra cost to the customer for selecting this plan

Source : RSM Prince

Lease inducement payments updated

There are proposed changes to the taxation of lease inducement payments by commercial landlords. These proposals have been modified:

1. The start date is to be 1 April 2013.
2. The payments will be tax deductible for the payer and taxable to the recipient.
3. Income and expenditure will be spread evenly over the term of the lease.
4. Lease surrender payments are currently not tax deductible for a tenant. In future they will be tax deductible and also taxable to the landlord.

Correct use of the 90 day trial clause

All employers should adhere to the following:

1. The employee must not have worked for the employer previously.
2. It must be communicated to the employee that their employment is subject to a 90 day trial period before the employee accepts the offer of employment, irrespective of that acceptance being verbal or written.
3. The written clause in the Employment Agreement must include the specific wording as per section 67A of the Employment Relations Act 2000.
4. The agreement needs to be signed by both parties or the employer needs to be able to show that they have taken multiple significant steps to get the employee to sign the agreement.
5. Notice of termination needs to be given to the employee within the 90 days; however it does not matter if the final day due to the notice period is outside the 90 days.

Source Angeline Long, HR Executive Solutions



Reduce FBT liability for car while away

If you go overseas, you can't use your car for private use because you are physically unable to do so (and it is not available to any family members still in New Zealand). The car is in New Zealand and you're in another country, so for every complete day you are away, you can reduce your FBT liability. The same thing applies if your car is in a garage being repaired. Again, you physically can't use it while it remains in the workshop. However, in this case, there has to be a specific prohibition from using the car including when you are distanced from the vehicle, in writing.

10 big mistakes

10. Trying to get rich quick

Overnight success usually takes 15 to 20 years to achieve. If you go in expecting to be rich overnight, you may become discouraged early on and give up your dream prematurely. Know that success takes time, perseverance, and a little bit of luck. Give your business the time to grow. Only if your company is stagnant for a long time should you take it as an indication that you need to try something new.

9. Assuming you have no competition

Even if you have the latest, greatest, never-been-done-before approach to something, don't assume that you have no competition. Competition is also all the available alternatives. What else could the consumer do instead of using your product or service? Could they do nothing? The customer almost always has the option of walking away. That alone is a serious competitive threat.

8. Being a weak leader

The success of your company is dependent on you being a strong, effective leader. This does not mean you need to be an authoritarian, but you also shouldn't be everyone's buddy. A great leader sets the course for the company, communicates it constantly, and inspires the team to get to the next level.

7. Being all business, all the time

Many business owners put their personal lives on hold to focus exclusively on their businesses. Ultimately, both suffer. There is no question your business needs your full attention and effort, but only in short spurts. Just like an elite athlete in training, you need to have a proper, healthy diet, get

enough rest, and take breaks. Balance your personal and business life, and you will actually do better in both.

6. Setting unrealistic financial goals

If all business plans came true, being a billionaire would be nothing extraordinary. Many entrepreneurs go into new ventures planning astronomical returns. Yet most never get the business off the ground. Unrealistic goals not only hurt your credibility, but can also be an emotional drain. Set specific, measurable, accountable, realistic, and time specific (or SMART) goals to ensure continual progress. If you do this, your chances of being an overnight success (in 15 to 20 years) are much greater.

5. Having no 'rallying point'

There is a reason why employees leave high-paying corporate jobs to go to start-ups and it's not for the money. People are driven to serve an important purpose, in addition to getting a pay cheque. Many businesses never define their real purpose for existence, and continually attract a mix of employees who are seeking success in different ways. Clarify the purpose of your company, beyond just making money, and you set the stage for attracting like-minded employees. A team focused on the same goal is a very powerful force.

4. Cutting prices

Often, the first thing business owners resort to when business is tough is to try differentiating on price. Cheaper prices mean more customers, right? Wrong! Most customers are willing to buy more expensive items because of the greater quality or the added convenience. During tough economic times, an increase in price, coupled with

improvements in quality or convenience, can drive customers to your door. Price slashing is a dangerous game, which could lead to slashing employees or salaries to keep costs down.

3. Having no clear marketing strategy

You never know where, when, or how a new prospect is going to hear of your business. If you have a mix of messages out there, the prospects will have an unclear expectation of what your business can offer.

2. Not being upfront

The days of cover-ups are gone. The anonymous nature and grand size of the internet allows people to share anything with anyone at anytime. If your business tries to cover up a mistake, it is just a matter of time before word leaks out and you are labelled a liar. That's not good for business. Be the one to break your own bad news, and you will be perceived as honest and trustworthy.

1. Trying to do it all

The greatest mistake business owners make is to believe they can do it all by themselves. While an entrepreneur can do almost everything, they do almost everything poorly. Just like any other person, an entrepreneur has one or two natural talents. As a business owner, it is your job to identify those talents and focus on them to your fullest. Surround yourself with people who are strong where your talents are weakest. Great companies are built on the foundation of exploiting a few strengths, not on trying to be masters of everything.

Make sure you're not making any of these 10 big mistakes...

Source : Full Focus



Children's wages

If you employ children, you must deduct PAYE from their wages. If they're under 18 and have been enrolled in KiwiSaver, you must also deduct KiwiSaver contributions, pay the employer's contribution and deduct tax from the contribution, as you would for any other employee.

PIEs and PIR

We're still getting clients who are overpaying their tax when they invest in a Portfolio Investors Entity (PIE). If you're in any doubt as to the correct tax rate to use, called Prescribed Investor Rate (PIR) please get in touch with us. It's based on the lower rate applicable for the last two years. For example, if you get a request to supply your PIR in April 2013, use the years 31 March 2013 and 2012 (or equivalent balance dates). If your 2013 accounts have not been done and cannot be estimated sufficiently to determine the PIR, the practical solution is to use the rate based on the 2012 tax return.

Labour only builders – still liable

There is a belief in building circles that if you are a labour-only builder that you do not have any liability to a home owner for any negligent work.

This has been challenged in a recent High Court decision, *Boyd v McGregor* where two labour only builders were found liable for defective work in installing two windows without sealant. The damages awarded against the labour only builders was significant.

It is important to appreciate that a labour-only builder is still required to meet the requirements of the Building Code as well as good trade practices.

The building industry is fraught with difficulty for tradespeople. Previously a company would give sufficient protection to prevent personal claims. However, this is no longer the case and the protection provided by a company has been eroded in recent years. In order to keep personal and family assets secure from any business risk, it would be sensible for a cautious trades person to use a trust.

Source : Ayres Legal

Tax deductible legal expenses – property

Legal expenses incurred in buying or selling real estate property up to a total of \$10,000 in any year, are tax deductible. What about courier fees, registration fees and similar non legal expenses. It is currently considered these form part of legal expenses.

"The best thing about the future
is that it comes only one day at a time."

Abraham Lincoln (1809-1865)

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