

de Newsletter

September 2011



Craig's Yarn

Over twelve months ago I was in Australia enjoying some time with my family. I was also in the process of joining an "Accountants" Coaching Club, and further extending our services. From that we have added a Business Coaching Solution for those who could see the benefit of being guided through their day to day business decisions. On reflection, it seems like just yesterday that all of this happened.

I know that being part of a Coaching Club has been very beneficial to ourselves and you by speeding up the process of change that we had committed to. In order to assist in the quicker turn around of work, we have implemented a new tax system that manages our Workflow better than the old one. We have also implemented a new process (Goal Setting) where I spend a couple of hours with a client to identify their goals. By having this knowledge we can better assist you in your business decision making processes. This Goal Setting is a 'value add' to your decision to use de Lautours.co as your Accounting provider, and the two hour meeting is

provided free of charge. If this is of interest to you, please feel free to contact my PA to set up a time.

You may have noticed (or will notice) Wendy, our Client Services Coordinator, giving you a call regarding your paperwork. Wendy's role is to ensure we have all your information before we start work, so that we are more efficient in our turn around time. Our new internal processes are designed to help focus on a shorter time frame in producing client work. We have had great feedback from those who have already had their work processed.

I have talked about Agreed Pricing in previous Yarns. We haven't quite got to where we wanted to be with this yet, but we are well on the way.

Back to where I started, time flies and if you are not careful, years can be lost. While I have always been clear in where I wanted to go, the impetus of an external Accountability Coach, and the ideas that have come out of a group of like-minded Accountants has ensured that the past twelve months have been well utilised. It doesn't stop there though. Feel free to make contact with either myself or Stuart if you have any ideas on how we can improve what we can do for you.

Cheers



Refunds of Road User Charges

Road User Charges (RUC) are levied on all diesel vehicles, and other vehicles powered by a fuel not taxed at source, regardless of weight. Non diesel fuelled vehicles with a manufacturer's gross laden weight of more than 3.5 tonnes must also pay RUC.

Fuels taxed at source are petrol, CNG and LPG. Vehicles running on these fuels are not subject to RUC unless their gross laden weight exceeds 3.5 tonnes.

RUC for most vehicles are purchased on the basis of distance travelled. They are available in 1,000 km units and must correspond to the vehicles odometer or hubodometer. RUC must be purchased initially, with refunds applications made subsequently.

To apply for the refund, The New Zealand Transport Agency (NZTA) require the following information

- Vehicle registration and RUC license number
- Details of distance travelled off road and description of off road activity
- Details of method used to measure distance travelled

Records detailing off road travel must be retained for two years after the date of application for that refund.

Refund claims must be made within two years of license purchase date. The NZTA recommend that claims only be made on licenses that have expired and where a new licence has been purchased.

RUC refund application forms (RUCOR) can be found at www.nzta.govt.nz.

The NZTA can be a bureaucratic nightmare to deal with. Care must be taken to ensure that refund application forms are correctly completed and all supporting documentation is attached.



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Tax Talk

Income tax - removing the uncertainty

'There are only two certainties in life - death and taxes!'. Although it is difficult to tamper with the sand flowing through the hour-glass of life, good habits can slow it's pace. Good taxation planning can ensure that taxes can be managed so there are no nasty surprises resulting in urgent phone calls to the Bank Manager a few days before due date!

What processes should self employed business people adopt to plan their regular income tax commitments? Here's some direction.

1. Prepare annual budgets, forecasts and a tax plan. 'If you fail to plan, you plan to fail.'

Prior to the start of each year prepare budgets and forecasts to map the business' financial performance over the next twelve months. The operational budget will project the taxable profit from which the business' tax liability can be calculated and inserted in the cash flow forecast for the ensuing year.

2. Use a suitable computerised accounting system. 'What you can measure you can manage.'

The business' financial life needs to be accurately captured with regular reports produced to indicate the Company's profitability, cash flow and performance in critical operational areas. Don't just run the monthly reports and file them, analyse them to ensure the business is performing in all facets and compare actual results to budget. Talk to us about your accounting system. Our team supports a number of options, including web based solutions such as Xero.

3. Update your tax plan. 'If nothing changes, nothing changes.'

Businesses are dynamic. So too are the economy and the planet we all squat on. World, national and local events can significantly change business profits, so the tax plan must evolve with the business' financial performance. Re-evaluate the tax plan at least three times a year (around provisional tax due dates) to either increase or decrease your provision. This can reduce or even eliminate use-of-money interest charged in certain instances by Inland Revenue for short paid provisional tax and, conversely, reduce bank interest on tax you didn't need to pay.

4. Seek Advice. 'A problem shared is a problem halved.'

We can help you with your budgets, forecasts and tax plans or prepare them for you. If you are considering a new business initiative come and talk to us so we can ensure you are using the right structure and allowing for the diverse range of taxes you can be encumbered with. Remember, taxes can be legally minimised and it's our job to assist you to do so!



'Government's view of the economy could be summed up in a few short phrases: If it moves, tax it. If it keeps moving, regulate it. And if it stops moving, subsidise it.' - Ronald Reagan

The hardest thing to understand in the world is the income tax.'
Albert Einstein

Tax planning checklist

It's important you talk to us if you believe your income is going to be significantly higher or lower this income year. The first provisional tax instalment date for March balance dates has passed, but there is plenty of tax planning opportunity left in the year. Consider the following circumstances when talking to us:

Revenue up or down?	Yes	No
Margins increased or decreased?	Yes	No
Expenses up or down?	Yes	No
Affected by removal of depreciation on buildings?	Yes	No
Fixed interest loans maturing at lower rates?	Yes	No
Unable to utilise Company losses due to recent LAQC reforms?	Yes	No
Any other anticipated events likely to affect income?	Yes	No

Petrol Rebates

All petrol sold in New Zealand has an excise duty tax applied to it. This tax is theoretically for the creation and maintenance of the country's roading infrastructure. It follows then that petrol not used in vehicles on the road should have the excise duty refunded.

Excise duty applies to the following fuels at the following current rates (as at April 2011)

- Petrol (\$0.56 per litre)
- LPG (\$0.12 per litre)
- CNG (\$3.65 per gigajoule)

Excise duty does not apply to diesel. Instead of having the tax applied to the fuel, owners of diesel vehicles pay a road user charge based on mileage. Road user charges can also be refunded when vehicles are used off road (see Road User Charges article on front page).

Farmers are entitled to claim a rebate on the above fuels used in the following in the operation of:

- Petrol tractors
- Farm bikes and Quads
- Chainsaws
- Brush cutters
- Stationary motors & generators
- Gas bottles for docking

In certain circumstances, specially licensed vehicles or utes used on farm, but sometimes used for short distance travelling between farms.

The key point is that this is an on road v. off road test. It is not the business use test that we use for annual accounts or GST.

At \$0.56 cents a litre, the petrol rebate is worth claiming. Farm bikes, particularly quads use a lot of petrol. Many farmers easily use several thousand litres a year. \$0.56 per litre rebate over 2,000 litres generates a \$1,120 rebate. This is not a bad reward for minimal paperwork and quarterly claims.

Claim forms (MR70) are available from the New Zealand Transport Authority, or are found at www.nzta.govt.nz. An Excise duty fact sheet (Factsheet 14) provides details on the excise duty refund process.

Claims are filed quarterly and require details of usage of fuel, a reconciliation of opening and closing stock and proof of purchases.

It is possible to claim refunds as far back as 2 years, but you lose 10% of the refund for any claims older than 3 months.

For those who apply for and obtain a petrol rebate, these refunds are subject to GST and income tax. The refund should be credited back against the appropriate expense code or recorded as taxable sundry income.



Future proofing your customers



Consumers are looking to deal with businesses they can trust. Is your business creating a feeling of trust with the customer? It is a good idea to obtain testimonials, preferably on video, from happy customers and utilise these videos on your website. Do you conduct customer surveys to discover customers' likes and dislikes regarding your business? This might mean you need to fine-tune your business operation.

Staff should be encouraged to show passion and enthusiasm when dealing with customers, highlighting your business' unique selling proposition. You can encourage loyalty from customers by focusing on providing them with superior service, and by offering specials to regular customers. A good customer attraction and retention system should make significant contributions to the small business' cashflow. If you would like us to review your customer attraction and retention system, please contact us.

The Abolition Of Gift Duty

Legislation has now passed to abolish gift duty from 1 October 2011. Government officials and Inland Revenue officers have made it clear that current NZ legislation will be used in future to prevent individuals from divesting themselves of assets overnight to defeat creditors, relationship partners and Government agencies providing social assistance (rest home fee subsidies, student loans etc).

Gifts defined as 'extraordinary', i.e. they exceed \$27,000, may be subject to claw back at any time and legislation such as the Insolvency Act, the Property Law Act and Social Security regulations will be used in future to police this area.

The message is clear - with the abolition of gift duty, current legislation will increasingly be used along with organisational changes to police this area by the likes of WINZ, IRD, the Official Assignee and other agencies. Long story short - substantial gifts should not be undertaken without seeking professional advice.

GST private use adjustments

On 1 April this year, rules for calculating GST private use adjustments were simplified. Sounds great! Problem is that the new rules aren't very... simple. Private use adjustments are calculated at the time of purchase, each year if usage changes, and when sold. If you complete your own GST returns and need assistance working out how much GST you can claim or have to pay when you have an asset with private use such as a car, give us a call or drop us an email along with the facts. We'll do the calculations and send you a detailed work sheet with the calculations explained. That way if you ever have to explain your calculations to IRD, you're covered.

**GST private use
adjustments are
easy as**

Yeah right.

Tui

FOR SALE

McCormick tractor CX80 82HP
Front-end loader with third service
3960 hours on clock.

ROP's frame

One owner.

Serviced regularly by franchise
holder.

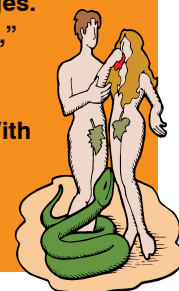
Price \$36,000 + GST

Ring Ian Wards 07 872 8084 evenings



Funny - Lost and Found

A little boy opened the big and old family Bible with fascination, and looked at the old pages as he turned them. Suddenly, something fell out of the Bible, and he picked it up and looked at it closely. It was an old leaf from a tree that had been pressed in between the pages. "Momma, look what I found," the boy called out. "What have you got there, dear?" his mother asked. With astonishment, he claimed: "I think it's Adam's suit!"



PLEASE NOTE!!!

We are in the process of changing banks.

New bank details: 03-0442-0278712-00

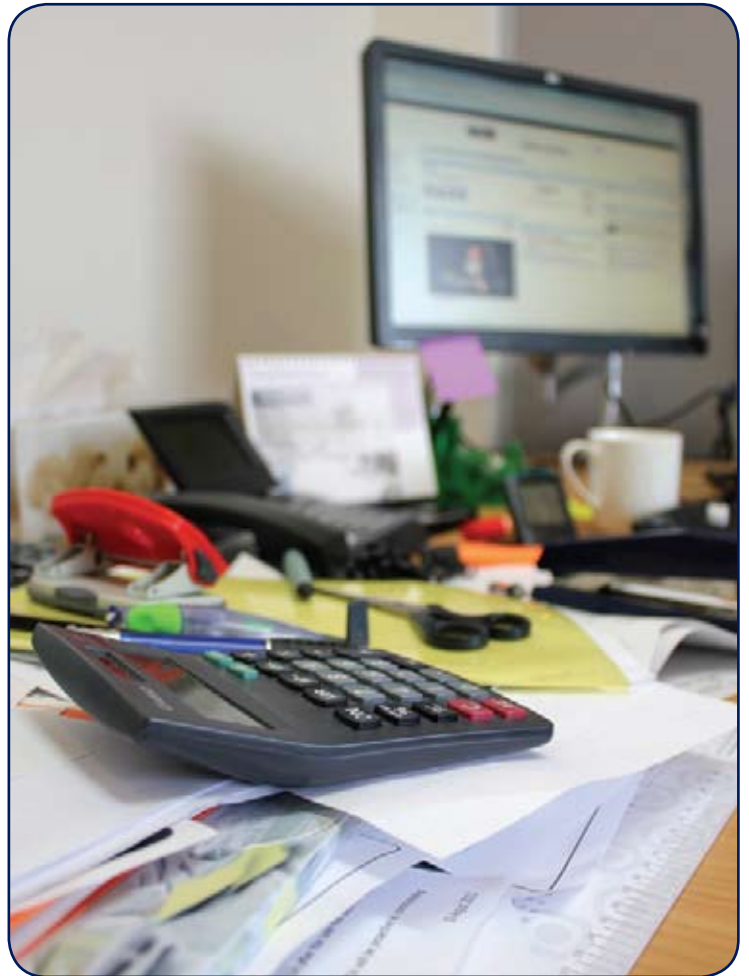
**Morning tea-time at
de Lautours.co is
now from**

10.15 - 10.30am

**New phone number
872 0566**

Spring clean your business

- 1. Get rid of the clutter:** Not just the physical clutter in work spaces, but also the clutter within business activities themselves. If products or services no longer suit the market, clear them out or give them a makeover.
- 2. Tidy the front yard:** Your business entrance, foyer or reception area says much about your business attitude, culture and likely service standards. Have a good look from a customer's perspective. What's the experience when they visit the business, phone your team, or order a product from your website? First impressions count.
- 3. Fix the fence:** Review business insurances, document management and disaster recovery systems. Create an 'Important documents' folder and store insurance policies and vital business contracts, both in electronic and physical format.
- 4. Throw some paint around:** When's the last time you refreshed your brand? Is it consistent with your culture and values? Maybe you are serving new markets now, or you've extended your products and services. Make sure your brand is applied consistently across all collateral, including your web presence.
- 5. Sharpen any blunt edges:** Now's the time to learn new skills or develop simple training programmes to increase your team's productivity, or sales effectiveness. Internal training does not need to cost a lot of money. What it does need is your time, attention and commitment.
- 6. Get the duster out:** Revisit old business plans, mission and vision statements. How relevant are they to today's world and markets? Plan a three-monthly goal check-in to review progress on your 2011 goals.
- 7. Sow some seeds:** It's amazing the number of small businesses that don't have a marketing plan. Some of the most effective marketing plans are simply a list of activities, identifying the 'what' (the activity itself), the 'who' (who's the person driving the idea?) and the 'when' (when are we aiming to get this to market?). A marketing plan creates marketing gravity.



HS Huntington Stables
Retreat Accommodation

Huntington Stables Country Retreat features two private self-contained luxurious lodges set alone in a stable complex with expansive views over the surrounding farmland to the bush and hills beyond, yet less than 5 minutes from the attractive town of Cambridge.

106 Maunakawa Road | Ph: 07 823 4136 | www.huntington.co.nz

Important Notice

A reminder that our telephone number has changed to

07 872 0566

Comings and NO goings

Charanjit Singh Ghuman joined us at de Lautours.co in June 2011....a little more about him:

Charanjit originates from Bassi Pathanan in India. He started in the accounting industry as a trainee, but qualified with his Masters in Commerce from a renowned Indian University. He and wife Sarabjit with their young son Brahm, immigrated to New Zealand where Jit (short for Charanjit) completed a graduate Diploma in Professional Accounting with Wintec.

Jit enjoys working with numbers, but when at home, he relaxes watching TV and movies and a soft drink. His best TV programme used to be an Indian laughter challenge one. Something no one knows about Jit (until now of course) is how faithful he is. The best advice given to Jit was to be a hard worker and with this in mind, Jit's dream to travel the world with his family, will certainly be achievable!



Natasha does us proud!!

Natasha McLauchlan, one of our accounting team members, spent a week playing competitive indoor bowls and was chosen as one of the top 8 players in the King Country. Congratulations Natasha!

PLEASE TAKE NOTE!!!

All our Accountants and Wendy, our workflow coordinator, are in a daily meeting from 10.00 - 10.15am.

That means our morning tea-time has moved from 10.00am to 10.15 - 10.30am.

Funny - Old Ladies' Noggins

Three old ladies are sitting in a diner, chatting about various things.

One lady says, "You know, I'm getting really forgetful. This morning, I was standing at the top of the stairs, and I couldn't remember whether I had just come up or was about to go down."

The second lady says, "You think that's bad? The other day, I was sitting on the edge of my bed and I couldn't remember whether I was going to sleep or had just woken up!"

The third lady smiles smugly, "Well, my memory is just as good as it's always been, knock on wood," she says as she raps on the table. Then with a startled look on her face, she asks, "Who's there?"

Managing Debt

You would have read in the last newsletter that I'm here at de Lautours.co as the Office/Admin Manager. One big part of my role is keeping on top of the debtors.



Bernard Westerbaan

As you can appreciate de Lautours.co is a business. Staff and suppliers need to be paid on time and we do rely on our clients to pay on or before the due date of the invoice.

To assist with whichever method you want to pay, we have the following options available:

- Direct Credit to our bank account Westpac 03-0442-0278712-00
- Eftpos in our office
- Cheque, please make the cheque out to deLautours.co and if possible put invoice details on the back of the cheque.
- MasterCard or Visa, call us on 07 872 0566 with your credit card details (minimum payment \$100.00), or drop in and use our Eftpos facility.
- FeeSmart options

We do appreciate that many of you do pay on time, but there are some that, for whatever reason are not paying, or are unable to pay before or on the due date. We are here to help you and can discuss any possible payment plan you may be looking at, especially the FeeSmart options.

Contact Bernard on 07 872 0566 if assistance is required.



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