

LIGHTHEARTED LINES ☺☺☺☺

Great truths that little children have learned

- No matter how hard you try, you can't baptise cats
- When your Mum is mad at your Dad, don't let her brush your hair
- If your sister hits you, don't hit her back. They always catch the second person
- Never ask your three-year-old brother to hold a tomato
- You can't trust dogs to watch your food
- Don't sneeze when someone is cutting your hair
- Never hold a dustbuster and a cat at the same time
- You can't hide a piece of broccoli in a glass of milk
- Don't wear polka-dot underwear under white shorts
- The best place to be when you're sad is Grandpa's lap

Great truths that adults have learned

- Raising teenagers is like nailing jelly to a tree
- Wrinkles don't hurt
- Families are like fudge - mostly sweet, with a few nuts
- Today's mighty oak is just yesterday's nut that held its ground
- Laughing is good exercise - it's like jogging on the inside
- Middle age is when you choose your cereal for the fibre, not the toy

Great truths about growing old

- Growing old is mandatory - growing up is optional
- Forget the health food - I need all the preservatives I can get
- When you fall down, you wonder what else you can do while you're down there
- You're getting old when you get the same sensation from a rocking chair that you once got from a roller coaster
- It's frustrating when you know all the answers but nobody bothers to ask the questions
- Time is a great healer, but it's a lousy beautician
- Wisdom comes with age, but sometimes age comes alone

10 TELLTALE SIGNS OF... FRAUD RISK

1. Absence of written code of conduct
2. Inadequate separation of financial duties
3. Passwords not being properly restricted
4. No limits on the value of purchases by staff
5. Purchasing not restricted to preferred suppliers
6. Single cheque signatories
7. Lack of management review of key financial indicators and reports
8. Reconciliation of bank accounts, debtors and creditors not performed regularly
9. Irregular and inaccurate stocktaking
10. Staff don't identify with company values

Source: My Business



You've got an angry customer on the phone, and you can't seem to calm him down.

While there's no cut-and-dried solution that will defuse every caller's ire, there are a few phrases you should avoid:

"This happens all the time."

By saying that, you can give the impression that your organization routinely angers its customers. And all callers like to think that their situations are unique, so don't lump them in with everyone else.

Repeating the words "ma'am" or "sir"

...in place of the customer's name. These terms are considered polite, but they can come across as condescending if overused. Remember that you're dealing with an unhappy caller, so don't add fuel to the fire.

SPOTLIGHT : Heather Campbell



At the age of 16 I joined the workforce as a junior in a small Accountancy practice in Hastings. But youth and the urge to travel got the better of me! I spent an amazing 2 years in Western Australia on a wheat farm looking after four kiwi farm hands, driving trucks, working in shearing sheds and living the farm life.

On returning to NZ I tried the hospitality industry (bar positions) then settled back into office positions for the Odlin's Group of companies.

Since then, I have spent a considerable amount of time being mum, with a 21 year old son and an 11 year old

daughter. I kept myself busy with lawn mowing and gardening jobs with 13 customers while the children were young. I also had part time butchery positions with what was Write Price and also with Export Meats. Five and a half years ago I returned to full time employment in the accounting field with Tax Link in Hastings and then moved to Business Results Ltd 17 months ago.

I enjoy the challenges which we have in Business Results and also the team environment. But mostly I enjoy the client contact which we all have here!



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JUNE 2005
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Don's Comments

Dear Friends

It is a glorious Friday in Hawke's Bay. The autumn leaves have just about finished creating a carpet over the grass and roads and the nights are getting cold. When I walked with my good friend Ian this morning, it was just starting to get light as we got home, which made me realise that the shortest day is very close!

Sally has been away for four weeks visiting family and friends in the UK, the USA and Canada. This put very little added burden on the rest of us as we have known about it for some time and we had planned for it! Jeanette is away in September as well to the UK to meet up with her daughters in London and then to do some touring on the Continent. Those of us left behind are most envious!

Talking to a few of the retired golf partners about their day has made me realise how important you and your business are in our life. We all look forward to coming to work and the challenges and victories (and some losses!) that we have here. We celebrate with you in your good times and try and help you in your valleys.

I think that Cheryl and I in particular are trying to achieve a little more 'balance' in our lives. Now this is a very subjective term so what you understand as balance and I understand as balance may be two entirely different things.

This means that we are trying to take a little more time off to relax, visit friends and relations and play more golf! Cheryl's parents are both in their 80's and her Dad has been hospitalised for the past few weeks, although he is now home. So we want to get them up for a week or so away from the cold Manawatu!! We have just spent Queens Birthday in Sydney and visited my last remaining relative from my parents' generation who is 85. Uncle Bruce and Aunty Pat are surprisingly sprightly for their age and they and we enjoyed seeing each other a couple of times over the weekend.

We have had a lot of fun in the office recently as both Jo and I were competing against one another (and over 120,000 others!) in Virtual Super 12. Jo finally inched ahead of me by a few points much to her delight! The loser normally has to shout morning tea on Monday morning!

Lastly, I used to think that grey hair means wisdom! How wrong I was!! Certainly grey hair brings experience which is a wonderful teacher, but the joy is that we are all still coming across new situations and challenges.

My particular delight is being taught by some of you who are much younger but sometimes can teach an old dog new tricks!

Keep smiling, keep positive and keep going!

Don, Cheryl, Jo, Sally, Jeanette and Heather!

USING BONUS SCHEMES

Bonus schemes can play an important part in fine-tuning employees' motivation.



1. Bonuses linked to clear targets for individual performance will encourage individual effort, but not teamwork. Each person should only have one or two immediate targets to aim for.
2. Bonuses linked to company profits can promote teamwork, as long as individuals can see how they can affect the figures. Team goals could include sales, margins, costs and employee punctuality.
3. Bonus targets should be set monthly, so results can be monitored immediately. You can target a key area for one month only, to focus on something which would otherwise be neglected.
4. Bonuses based on short-term goals may actually damage long-term profitability - e.g., a salesman on commission may neglect after-sales service and harm the company's reputation.
5. Bonuses should be on top of basic pay. Reducing pay in order to fund a bonus scheme will do more harm than good.
6. Bonuses need not be large to be effective. Bonuses should be paid out of extra profits achieved by hitting well-chosen targets.

Source: The Main Report

Spotlight

Fraud Risk

Bonus Schemes

Myths & Legends

Angry Callers

MYTHS & LEGENDS : GST



When taxpayers get hold of an idea which they think is 'good oil', they will talk to others and before long it is accepted as "the way things are done". However, here are some common misconceptions:

Residential and commercial property

You buy a residential property, a house or an apartment to be let as an investment. The price includes GST if you purchase it from a GST registered vendor like a builder but you can't claim GST paid on the purchase of a residential rental property. Nor can you claim a secondhand goods tax credit if it is bought from a non-GST registered vendor because it is an exempt activity.

However you can claim GST if the property is to be let as commercial property, whether or not you do claim depends upon whether you are GST registered. You will have to be GST registered for commercial property:

- If you are going to derive rental income of at least \$40,000 over any period of 12 months.
- If the commercial property is bought by the same entity that carries on any other taxable activities with combined sales in excess of \$40,000 for a 12 month period. This is why some taxpayers use more than one entity if they don't want to be involved with GST so that their sales in each entity are under the \$40,000 threshold.

Remember, if you have bought anything and claimed GST, then you must account for GST when you dispose of it. When something comes into the GST loop (because you claimed GST) then GST is imposed when it leaves the loop. So, if you buy a commercial property and claim the GST, then GST is imposed upon the market value when it is sold. When properties are sold as going concerns GST can be zero-rated instead of standard rated at 12.5%.

If instead of selling, you change its use from a taxable activity to either a non-taxable or exempt purpose then GST is imposed upon the lesser of cost or market value. This is not an available option if you choose to change its use in anticipation or contemplation of a sale.

A different rule applies to property which was acquired before 1 October 1986 and used in a taxable activity at the time GST first commenced. If you now choose to de-register for GST, and are not doing it in contemplation of selling the property, then the GST output tax is imposed upon the lesser of market value or original cost. This has significant benefits but it cannot be used when you are either contemplating a sale of the property or continuing to make taxable supplies in excess of \$40,000 over a 12 month period.

If you are selling property or a business as a going concern, see that the price in the agreement is 'plus GST if any' and that another agreement is also made with the purchaser that the sale is intended to be zero-rated as a going concern. This allows you to recover GST from the purchases if the sale fails to meet the going concern requirements.

Churches, sports clubs and non-profit bodies

A non-profit body such as a sports group or a church can claim GST on all payments except those that relate to the supply of goods and services that have been acquired for the principal purpose of making exempt supplies.

The following example was recently published by the Inland Revenue Department: "A church group is registered for GST, the church group carries out repairs and maintenance on the church and the associated hall, which has been rented out on a regular basis for a number of years. The church group has claimed input tax credits in relation to the repairs and maintenance on the church hall, but not the church itself as the church group did not think it was part of its taxable activity and therefore it could not claim the input tax credits. The Commissioner informs the church that the repairs and maintenance are part of its taxable activity and as such is a taxable supply. The church therefore claims the related input tax credits." [TIB Vol.17 No. 1 p.61]

This opportunity applies not only to churches, but to all non-profit bodies which are defined as a society, association, or organisation, whether or not it is incorporated which does not have the purposes of profit or gain for any proprietor, member or shareholder, and which is prevented by its constitution or rules from making any distribution of money or property to any proprietor, member or shareholder.

It should be noted that the input tax credit does not relate to the supply of goods and services that have been acquired for the principal purpose of making exempt supplies. Exempt supplies (which should not be confused with non-taxable activities) include such things as the supply of financial services, donated goods and services, residential accommodation and fine metal.

If you have claimed a GST input tax credit in relation to purchasing secondhand goods and if these goods are then exported and treated as zero-rated exported goods, then the secondhand goods tax credit is denied.

Exported second-hand goods

The value of the exported second-hand goods, to be shown as a GST output in the GST return, must be equal to what you paid. The amount is shown in the GST return for the tax period covering the earlier of when an invoice (not necessarily a tax invoice, but just merely an obligation to pay) is raised for the exports, or when payment was received in relation to the supply. The material and contents provided in this publication are informative in nature only. It is not intended to be advice and you should not act specifically on the basis of this information alone. If expert assistance is required, professional advice should be obtained.

Business Breakup

THE TOP 5 CAUSES



I WORK HARDER THAN YOU DO

Partners tend to overvalue their own contribution and undervalue their partner's. Typical thinking: "Man, I'm breaking my back here and one of my partners is taking it easy- taking four weeks vacation in the summer and not contributing nearly as much as I am."

EXPERT ADVICE

Don't sweat the small stuff. Recognize that you and your partner may have different work patterns. He may take four weeks in the summer; but work more hours through the week; she may take work home rather than toiling at the office. Employment contracts specifying each partner's role and performance expectations can help.

WON'T TALK ANYMORE

Partners may be so caught up in the day-to-day work they lose touch with each other's goals and plans. After a few years of this, you find you've grown irreparably apart.

EXPERT ADVICE

Schedule some kind of meeting at least twice a year in which you talk broadly about your relationship with the business and each other. "If one partner wants to retire in five years, it shouldn't come as a surprise to the other," says Jim Hatch, a professor at the University of Western Ontario's Richard Ivey School of Business.

YOU WANT YOUR SON TO TAKE OVER?

A partnership may go along swimmingly for years, but bring family into the equation and you could be in for stormy weather.

EXPERT ADVICE

Make succession planning an ongoing process. As the business grows, you may want to bring in professional managers to decide whether family members are qualified for leadership roles. And whether you want your daughter to be a principal in the company or just have a summer job, discuss it with your partner.

WE MAKE TOILETS, WHAT DO YOU MEAN YOU WANT TO GET INTO SINKS?

Entrepreneurs can sometimes have widely diverging visions of where the business is headed.

EXPERT ADVICE

Strategic planning should be ongoing. Questions to keep top of mind include: How will we finance the business? How quickly will we grow? What steps will we take to penetrate markets or develop products? "These things are not unique to a multi-owner business," says Don Olson, a lawyer at Giffen Lee LLP in Kitchener, Ont. with many family- business clients. "But having more than one owner complicates things further because you have more than one point of view."

I JUST DONT WANT TO DO THIS ANYMORE

Your partner may want to pursue new avenues or quit work altogether.

EXPERT ADVICE

Don't take it personally, and ensure an exit mechanism is in place.

Source: Profit

HOW TO CREATE COMPELLING CLASSIFIED ADS

Even a tiny classified ad can make a huge impact to your bottom line. Here's where to concentrate your effort..

Headline

Talk directly to your target market in your headline, and tell them you know what they want by featuring your main benefit in the headline as well: 'Busy executives: Save valuable time with our spam filter.'

Connection

In your opening show you share the customers' concerns. Highlight the solution you're offering and why it's valuable. "Your day is already packed with decisions and problems - wouldn't you like to get back the time you waste each morning deleting unwanted emails!"

Action

Don't let the customer wonder about the next step. Tell them what they need to do to find out more - call your toll-free number; visit your website, drive to your office. And make sure all your contact information is correct.

Source: The Main Report

ATTN!

new website and email addresses...

Please note that our website and email addresses have changed. Replace 'bizbuilders'

with 'businessresults' please!

So our new web address is:

www.businessresults.co.nz

And our email addresses are new also, ie...

don@businessresults.co.nz