



Trial Balance

THE OFFICIAL NEWSLETTER OF NZ CA LIMITED

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Top Ten Tips for Privacy

1. Think before you give out personal information, and ask what it will be used for.
2. You can ask to see any personal information held about you. If it's wrong, ask for it to be corrected.
3. Don't like people trying to sell you things by mail or over the phone? You can contact the Marketing Association (0800 347 328) to ask about its Name Removal Service.
4. Help keep your kids safe online by encouraging them to talk to you about what they're doing.
5. Protect yourself from identity theft by ripping up your personal letters and bills, and putting different bits in separate rubbish bins. Even better- use a shredder.
6. Limit your risk when buying online. Have a separate, low-limit credit card.
7. Posting personal information on the internet? Use a nickname if you can.
8. Check security procedures in internet cafes and make sure you log out before you leave.
9. Get a free copy of your credit record once a year to check that nobody is applying for credit in your name.
Visit www.mycreditfile.co.nz or www.dnb.co.nz for details.
10. Make sure you've got up-to-date virus software on your computer, especially if you're doing banking online.

Source: <http://www.privacy.org.nz/top-ten-tips>

Become Debt-Free Faster

THE CREEPING INTEREST rates are cause for all mortgage holders to look at their own financial situation. Working out how to reduce your debt takes common sense and a bit of ingenuity.

You can save thousands of dollars and wipe years off your mortgage by trying one or all of these helpful tips:

- 1) Pay rise = increased repayments. It sounds simple but unless it's a significant pay increase many people don't adjust their mortgage repayments accordingly. Even a two percent pay rise per annum can mean thousands of dollars saved in the long term if that extra cash is put towards your mortgage.
- 2) Consolidate your debt. If you have more than one debt running, say in the form of high interest credit cards, a car loan, or an account with a high-street store, it's worth combining all that you owe into one single, low interest rate loan. This makes budgeting much easier.
- 3) Choose the shortest term that you can comfortably afford to repay. A shorter term generally means you pay less total interest over time.
- 4) De-clutter your home. TradeMe is the modern day garage sale and its popularity only goes to show that your junk really is somebody else's treasure (and your profit). If selling unwanted goods makes \$1,000 which is put towards a \$250,000 mortgage being paid off at \$950 per week, you'll wipe \$6,500 from your total repayments.

- 5) Fortnightly figures. Pay your mortgage fortnightly rather than monthly. Paying \$1,000 per fortnight compared to \$2,000 per month, can mean an additional \$2,000 paid off per year.
- 6) Goodbye debt ... hello flatmate! If you have a spare room this could be an option – short or long term. Also consider renting your home to holidaymakers if you are away for a week or longer.
- 7) Windfalls. Whether it be in the form of Lotto, a work bonus or an inheritance, unexpected cash can have unparalleled advantages on your path to being debt-free. Paying \$5,000 off the capital of a \$250,000 mortgage being paid off at \$950 per fortnight would save you two years and a whopping \$30,000 in interest.

Source: *Roost Mortgage Brokers*



Get Used to Backing Up

SOONER OR LATER a computer disaster hits. Everything is lost. Sure, it does not happen to everyone but the odds of it striking you are better than your chances of winning a significant prize in Lotto. You can probably multiply that by 100.

The first rule is to take a backup of your data regularly, and in a disciplined fashion. If yours is the sort of business which should have a daily backup then you should get used to doing this. There are a variety of ways of backing up data. For example you can copy onto an external drive, USB, flash drive or CD. If you have too much then you probably need a tape drive. You can even backup from one computer to another.

The important issue is to have another copy of your data in case of disaster.

The second rule is always to take your backup material off your premises. If you have a fire you may lose all of your copies of the data.

Do not overlook rule three. Every so often you should deliberately recover data from your backup as though you had lost some of it. How do you know, when you take a backup copy, it worked?

Rule four is to be disciplined about taking the backup. Do not start with good intentions and then let the matter slip. Make it a habit. Habits take at least a month to settle in.



Don't Waste Words...

"Once you start editing yourself the process moves into other areas of your life." Donald Trump.

Do You Insure All of your Assets?

THE MAJORITY OF CLIENTS will tell us that they take out insurance to insure their assets. A valid assumption, isn't it?

So what are those assets that you would insure? The normal response is we insure our house, car, boat, machinery and the list goes on. All of these items should be insured.

If we take it one step further back and ask how do you acquire these assets? The normal response from clients is that they go to work to earn an income so they can acquire these assets. Therefore, do you consider your income to be an asset? The normal response is, yes, I guess so. Do you insure your income? Only 13% of the working population in NZ insure their income.

If we take it one step further back and ask, in order for you to go to work everyday, what must you be? You must be in good health. Do you insure your health by way of medical insurance? In NZ 33% of the working population have medical insurance.

A common perception amongst many of us is that we will always be healthy enough to go to work everyday to earn an income.

Consider what could happen to your income if something went wrong and you couldn't work for three months, six months, a year, five years or even longer. Could you survive?

Source: Wallace McLean Financial Services



Tax Simplification Proposals

Here is a list of some of the tax simplification measures being considered. It is planned to make the changes effective (if adopted) from 1 April 2009.

- Bi monthly PAYE returns going up to \$250,000 before they kick in.
- Right to prepare FBT returns on an annual basis going up to \$250,000. Why limit yourself to \$200 per quarter for gifts to staff when you could have \$800 per year?
- UOMI threshold for individuals to go to \$50,000 but no proposal to increase the company or trust thresholds, which, in our view, should be increased from \$2,500 to \$250,000 to be more in line with what happens overseas.
- GST threshold for registration to go to \$50,000.
- 6 monthly GST returns can continue up to \$0.5 million of sales.
- The change in use threshold is to rise from \$90,000 to \$100,000 for split use assets.
- Low value trading stock to go to \$10,000.
- A \$10,000 threshold for tax deductibility of legal expenses.
- A threshold (yet to be decided) for making all entertainment expenses deductible.
- FBT and Private Use relating to motor vehicles is to be simplified. The idea is to have a 10% FBT rate, which has to apply 365 days a year. There will probably be a list of conditions for using this rate, particularly on the amount of private use allowed (25% is being suggested).
- There are to be some changes to the concept of the tax invoice including allowing alternatives to it.
- There is also a possibility the 7 year period for keeping records may be reduced to 4 years.
- Review the formula for calculating UOMI to reduce it to a more realistic rate.

These proposals are only being considered. We will let you know more information when they are approved.



Are you a 'Boss' or a 'Leader'?

THERE IS A DIFFERENCE between leading and managing. Finding the right people, ensuring they are well trained, have the tools they need to do the job, and that the system they work in is constructed for success with customers are all part of good management.

So are watching the budget and expenses, measuring the performance of your people and systems, and being a player on the documented management "think team". You can have a successful and fulfilling career being a good manager. However, leading is a different sort of life experience and way of behaving that transcends managing.

A leader is the sort of person a special sort of manager – who is able to pick up the mood, tone and tenor of his or her department, buoy people's spirits, and enlist them in a cause. A leader is willing to work long hours, without complaint, to realise that vision, and to serve as a positive role model to others.

A leader is an energiser and, in many ways, an inspiration and inspirer. What is important and has to be at the core of your leadership efforts is this:

You must believe in and enjoy what you are doing, have a vision you believe in and can hardly wait to see it become reality and be able to communicate that vision in a believable, understandable and compelling way.

Recently, Harvard University studied high and low performing teams and found that people are won to a common cause with organisations and work enthusiastically and collaboratively when:

- They understand the purpose of their work.
- They feel they are members of an important group.
- They have a sense of ownership of their work.
- They have high self esteem.
- They have management support.
- They have resources, the time, tools, and training to do the job they are being asked to do.
- They have the information about what is going on, what they are doing and how well they are doing it.

Source: Western Group Limited

7 Habits of Effective Leaders

EFFECTIVE LEADERSHIP IS something we need to focus on daily. It's something that takes practice, questioning how well you're doing, reassessing and best of all continuing to try!

Like any learning, watching others who are good at leading and following their example (otherwise known as R & D – rip off and duplicate) is a successful strategy to follow. So here are the habits of effective leaders:

- Clarity of Vision (and ability to share that vision).
- Healthy discontent for the present.
- High standards of excellence.
- A sense of urgency (operating at pace).
- Strong commitment to implement.
- Ability to eliminate likely distractions.
- Build a strong team.

Source: Sudburys Limited

Achieve Results through Peak Performance

How do you become successful? Overnight success is not something many of us achieve. Success comes as a result of a few simple disciplines practiced every day.

If we look at a success formula:
Decisions x Actions = Results

It follows that if you are not where you want to be, you need to make better decisions and take different actions.

Many of our decisions are based on our past experiences. If you have a clear focus and vision for your future and base your decisions on that vision then you are likely to achieve your standard of success.

Many of us make the mistake of saying that "when this happens I'll be successful". The only "when" that exists is "now". If we don't take action today we will have lost the opportunity to move closer to our goal of success.

If in fact we apply the 80:20 rule to our success formula, 80% of our results will come from 20% of our activities. Why spend all day on the little things (what's known as "majoring in the minors"). We need to focus on the things that will achieve the results we want in the fastest or most beneficial way.

If you apply the 80% rule then spend 80% of your time on 20% of activities that create 80% of the results. It's not the hours you're putting in. It's what you're putting into the hours!

Applying this to your business, success comes through the decisions and activities of your team. Leadership is about creating positive energy towards your vision... and clearing the negative energy.

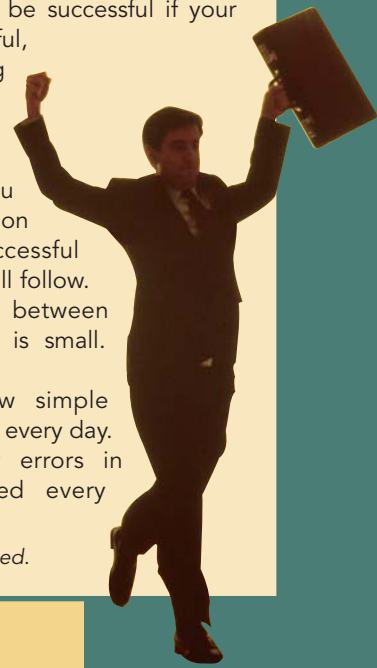
Applying the right influence on your people means moving them positively towards an effective result. If you apply the adage that you will be successful if your people are successful, you should be asking yourself each day "How can I make you even more successful?". If you focus your attention on making them successful then your success will follow.

The difference between success and failure is small. The impact is huge.

Success – a few simple disciplines practiced every day.

Failure – a few errors in judgement repeated every day.

Source: Sudburys Limited.



Taking Money out of a Family Trust

IF YOU WANT to take money out of your trust, remember it is the trustees who decide, not you. As one of the trustees, you must wear your trustee hat when dealing with trust business. Trustees need to make their intentions clear when paying money to a beneficiary of a trust. Is the money to be taken out as :

- A reduction of debt to you or a beneficiary?
- A distribution of the trust's taxable profits?
- A distribution from the capital of the trust?
- Wages, in the case of a trading trust?

The trustees clarify their intention by all signing a minute. If a trustee makes a payment without the agreement of the other

trustees, it is invalid and cannot be confirmed later.

Beneficiaries can have trustees removed for not keeping proper records. Would you want one of your children (or, indirectly, your child's partner) to take control of your family trust, particularly one that owns your family home? Keep good records.



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NZ CA members have agreed to co-operate together to develop a national working relationship. Membership enables firms to access one another's skills and information whilst maintaining client confidentiality.

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- Kerikeri	(09) 407 7117
- Mangonui	(09) 406-2173

Design your Business Cards

Your business card is an advertisement. Remember the rules for good advertisements when designing your card.

- State the principal benefit you have to offer, for example, specialists (or experts) in...
- Can you include a picture? It is worth a thousand words!
- Keep to the standard size. Big cards are a pain and deserve to be thrown away.
- If you want to put more on the card than you have room for, use the back. You might wish to list your best products.
- Supply all your contact details, especially your email address. Put them at the bottom of the card. From a customer's perspective, what you have to offer is more important than who you are.

Changes in Particulars

Please remember to let us know of any changes in:
* Physical address * E-mail address * Phone and/or fax numbers * Shareholdings * Directorships * Trustees
Or anything else that may be relevant.

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