

Putting a face to a name



Claire Norris (C.A.)
Accounting Services

Claire is a founding staff member of Taurus along with Geoff, Wayne, Alan, Mike and Russell.

Claire specialises in financial accounting and tax return preparation for clients in wide range of industries.

Another important role that Claire has at Taurus is assisting with the administration of the Taurus computer network.



Russell Latimer
Lending Manager

Russell is the "go to" man for your residential mortgage and small business finance requirements.

Whether it be a new loan or simply rolling over your existing facilities, Russell will endeavour to find the best deals for you that are available from a number of lenders.

Russell has had over 30 years experience in the banking industry, previously working with Westpac before joining Taurus.

Russell's interests outside of Taurus include harness racing, having owned a number of horses with his wife Natalie. He is an active member of the Rangiora Harness Racing Club and has been a past President of the club.



Mark Styles
Accounting Services

Mark joined Taurus in October 2008 and also specialises in financial accounting and tax return preparation for clients.

He has recently completed his Commerce degree at the University of Canterbury after previously working for 6 years accounting in Timaru.

Mark enjoys music in his spare time and plays a variety of instruments. Married for just over a year, Mark and Amy have recently moved into their first home.



Colin Reynolds
Administration Manager

Colin joined Taurus in 2000 after working for Buller Electricity for 23 years, 11 of those as CEO.

His role at Taurus includes managing Taurus's internal accounting systems, credit control, and also managing five client property syndicates.

Outside of Taurus Colin's interests include harness racing, following the share markets, and outdoor bowls where he has represented Canterbury with some success at national level.



T A U R U S

Running with the bulls

December 2009

Office hours over Xmas and New Year

As Christmas will soon be upon us we advise the following key dates for office hours over the Xmas and New Year holiday period.

The office will close at:
noon on Wednesday 23rd December 2009

We will re-open on:
Monday 11th January 2010

The team at Taurus would like to take this opportunity to thank all clients and business associates for your business this year.

We wish you a Merry Xmas, a Happy New Year and please take care if you are travelling away on holiday.



Taurus Directory

Accounting Services

Wayne Bailey (Director)
Alan Calder (Director)
Michael Kohing (Director)
Paul Wouters (Director)
Chris Hardy
Claire Norris
Vera Richards
John O'Connell
Merryn O'Malley
Greg Wright
Martin Dale
Mark Styles
Stewart Sarjeant

Finance and Advisory

Geoff Angus
David Kitson (Director)
Des Knowles

Taurus Mortgages

Russell Latimer

Trust Division

Rebecca Stewart

Administration

Colin Reynolds
Fiona Spagnuolo
Joanne Moore
Jean McMorrان
Nick Brown

Address and Contact details

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Web: www.taurusnz.co.nz

Our services at a glance

Accounting Services

Preparation of:
- financial statements
- income tax returns
- GST and FBT returns
- management accounts
- budgets and cashflows
Tax Planning
Business re-structuring
Business valuations
Succession planning

Finance and Advisory

Negotiation of:
- Commercial Debt funding
- Equity finance
- Housing loans
Project Finance
Turnaround management
Bank advisory services
Property management
Due diligence

Trust Services

Family Trusts
- formation
- administration
Asset protection
Succession planning
Professional Trustee

DISCLAIMER: This newsletter is only for the general information of clients and is not to be taken as a substitute for specific advice. Consequently we accept no responsibility to any person who acts on information herein without consultation with us.

What can you claim for mileage?

We have been receiving a few calls from clients seeking clarification of the non-taxable allowances available to be paid as reimbursement of motor vehicle expenses.

The current rules are:

For self employed (sole traders and partners in a partnership) and shareholder/employees who DO NOT have PAYE deducted salaries

- Rate is 70 cents per km
- First applies from 1 April 2008
- Maximum of 5,000 km pa.

For distances greater than 5,000 km you must use the actual expenditure or the log book methods to calculate the business use of your vehicle.

For Employees and shareholder/employees who DO have PAYE deducted from salaries

While there is no 5,000 km limit for reimbursing employees at the 70c per km rate, businesses must still meet the test of a reasonable estimate. Therefore if an employee wants reimbursement for 20,000 km the 70c rate may not be appropriate.

Employers may also choose to use the AA rates if they wish, which are generally higher than 70 cents or a rate that is lower than 70 cents. The IRD announcement on the 70c rate is specific to self employed persons claiming a deduction against income.

For more information please check the IRD website www.ird.govt.nz, key word mileage rates or call this office.

Have you seen our website lately?

While we continue to develop our website and keep the content as current as possible we have also added a flash animation of our bull, developed by client Murray Freeth, who specialises in 2D character animation for commercials and TV.

Murray has also provided animation for a number of children's movies and TV series.

www.taurusnz.co.nz



Still to have your accounts and tax returns prepared?

Some clients are still to bring in their records and may already have been called by our staff to remind them. If you have mislaid the annual client questionnaire we do have a pdf version on our website on the Client Resources page. In most cases you will have an extension of time until 31 March 2010 to file your tax return but if you file after that date then you may lose that advantage.

Stop Wasting Money!

In every business, money has to be spent in order to make money. But, nobody likes to waste money, especially in the current economic climate. Most business owners are careful spenders, but from time to time they squander precious cash resources.

Some of the most common ways that small business owners routinely waste their money include:

- 1. One off advertising.** Over reacting when sales are low or some hot-shot advertisement salesperson calls with an "exclusive" deal that can't be resisted.
- 2. Excessive spending on inventory.** Whilst bulk buying generally leads to lower prices, cash is tied up in products sitting in a warehouse. Products that then cannot be sold and monies collected before the invoice is due, represents a cash outflow. With perishables (such as in a restaurant or florist), excess inventory literally rots away. And with seasonal merchandise, your inventory ages and loses value.
- 3. Finance charges.** Borrowing money can help you grow your business, so some of these fees may be reasonable expenses. However, when finance charges accrue due to poor cash management, that is just money wasted.
- 4. Habitual buying from non-competitive suppliers.** Business owners are busy people, so often, once a

good supplier is found they stick with them – and there is a good reason to do so: it reduces administration and product quality may be more consistent. However, it does not hurt to look around from time to time.

- 5. Inadequate or poor invoicing systems.** Many businesses fail to bill their clients in a timely manner. Poor billing systems can lead to customers developing bad habits when it comes to paying their invoices. Send the invoice on the same day if you can. It also gives you and your customer time to sort out any queries before the due date.
- 6. Poor customer service.** It is far more costly to get a new customer than to keep an existing one. Cutting back on good customer service is a dangerous strategy and false economy.
- 7. Dissatisfied employees.** High employee turnover can be a significant waste of money and often the true cost is difficult to measure. A lot of resources – time, attention, and money go into finding and training new employees. It is a lot more cost effective in the long run, to pay well, provide competitive benefits, and most importantly, create a positive work environment.

In a small business, where CASH IS KING and every dollar is precious, spend your funds wisely.

bookworks
making sense of your books

Discover the profits hidden in your accounting software & make it work for you!

One of the biggest obstacles limiting business growth is the lack of timely & accurate financial information on which to base crucial management decisions – it's like driving with a blindfold on.

Not having this information stops you from achieving the level of business success you are capable of and deserve.

Craig Hibbert, Managing Director of Bookworks says that:

- We can turn your accounting software into a powerful tool for growth & understanding.
- Bookworks guarantees you the peace of mind & reassurance that your books will be accurate, that you can understand them & that they are on time – all the time.
- We will take away all the confusion & frustration associated with doing your books.
- We will also guarantee to maintain regular contact with you, and to give you support & feedback on how your business is really performing.

In turn, this assists Taurus by providing day to day on site support to you. It means that the information you provide them at the end of the year is of a much higher quality, making their job that much easier.

For more information contact Craig Hibbert on 021 483 995 or call Taurus on 03 3666 087

Bookworks Ltd is an associated company of Taurus Group and are approved MYOB, Quickbooks and Xero installers and trainers.

Investment Properties in Australia Do you REALLY know what you are doing???

By Greg Wright

It has been popular for Kiwi investors to buy residential rental properties in Australia, particularly in Queensland. Queensland has experienced huge population growth rates for a number of years which has led to a chronic shortage of the availability of good properties.

Like most Western countries, they too have had a real estate boom in this current decade. And although there has been a slow-down due to recent high interest rates and the world economic recession, Australia's economy has bounced back sharply. Minerals and exports plus again population growth are major causes and interestingly from immigration. This ensures that the demand for housing is continually strong.

Australian mortgage interest rates have traditionally been slightly lower than NZ. The recent substantial drop in interest rates experienced over the Tasman has also helped to keep Queensland housing sales reasonably buoyant. So much so, the Federal Reserve has increased the official cash rate three times now to try and curb the property market especially!

For the Kiwi investor, be aware that there are some taxation differences between our two countries. With an Australian rental property, you need to file an income tax return in both countries. However the differences are not arduous, not even capital gains! For each year that a rental loss is recorded in your Australian tax return, it has a direct effect on the amount of tax on a future capital gain.

A loss on a property is claimable against your NZ income which can mean in many cases a good refund of PAYE. To assist an investor's cash flow, an annual application can be made to the IRD for a lower rate of PAYE to be deducted from their salary. This releases extra cash for mortgage payments.

It is quite important to have the ownership structures correctly prepared. The use of LAQC's and Trusts may not be beneficial in Australia so you should contact us FIRST before forging ahead and potentially making some costly mistakes. Otherwise, owning a growth property in Australia can be a rewarding and profitable exercise.

Although we cannot advise you on where your property investments should be, we can certainly assist on the financial aspects of such an investment and all your tax administration requirements. Before buying, it is better for you to speak to specialists in this area and we are happy to refer you personally to our preferred locally owned company for quality advice.

Greg joined Taurus in July 2008. He returned to New Zealand after spending 20 years working in Australia, Hong Kong and Singapore. He is qualified as a Chartered Accountant with the Institute of Chartered Accountants in Australia. Contact him on 03 3532629 (DDI) if you would like assistance with your Australian investment property.

Are you renting from your own LAQC?

The IRD are currently having a blitz on LAQC's (Loss Attributing Qualifying Companies) that own rental properties and the tenants are the shareholders. This is even if the shareholders pay market value rentals.

The Taxation Review Authority has decided that such an arrangement is tax avoidance. This has the effect of allowing the taxpayer to obtain the advantage of the LAQC's tax deductions for what was, in substance, the shareholder's own private expenditure.

If you have taken residence in your rental property we advise you to urgently contact this office to review your arrangement.

Voluntary disclosure may reduce any fines or penalties but the result is that any deductions may be limited to the amount of rent that you may have paid, i.e. no loss is available to be attributed to the shareholders.



Handy hint

Do you pay GST and Income Tax on the same day?

Some clients are required to pay their income tax with their GST. To make it easier for you and us when coding your transactions, make two payments, one for GST and one for income tax.