



TAURUS GROUP

NEWS FROM THE BULL RING

May 2004

In this issue there are some very important employment related issues that we would like to draw to your attention.

New legislation is always difficult for employers to keep up with so we have provided you with a summary of the important issues that will affect you as an employer from 1 April 2004.

Holidays Act 2003

- Dick Knapp

The new Act, which came into force on 1 April 2004, was heralded as clarifying and simplifying the old Holidays Act. It has placed additional requirements on employers and added additional cost to an employer.

The Act, in the first instance, requires that employers must inform their employees at the time that an employee enters into an employment agreement about their entitlements under this Act. The way to do this is, obviously, to clearly set out the entitlements in full in the Employment Agreement.

Public Holiday entitlements of a day in lieu have been replaced with the Alternative Holiday. The emphasis is that employees are able to take an alternative holiday, when they are required to work on a Public Holiday, which they would otherwise have been required to work on. Employees become eligible for an alternative holiday if they are required to work on a Public Holiday and that day would normally have been a working day for the employee. They are also entitled to be paid at time and half for hours worked.

When an employer brings another person in to work on a Public Holiday, and the person does not

normally work on that day, then they are not eligible for an alternative day. They are, however, entitled to be paid at time and half.

Employees who would normally work on the day of a holiday and do not work are entitled to be paid for the day at their relevant daily pay.

The alternative day, and when it is to be taken, must be by agreement. When the parties cannot agree, the employee is entitled to take into account the employer's view as to when the holiday should be taken and then give 14 days notice of the employee's intention to take the holiday.

The employer can only direct the employee to take the alternative holiday after 12 months. If the 12 months passes, and the holiday has not been taken, then the employee can request that, rather than take the day off, they be paid out the day at the relevant days pay.

The employer is now required to keep a detailed Holiday and Leave record. The Act requires that 17 different particulars are recorded.

Further, Sick Leave is able to be accumulated to 20 days.

Bereavement Leave is now separate from Sick Leave.

Non-compliance of these new provisions can make an employer liable for a penalty of up to \$10,000.

If you have any questions on this, or any other aspects of the changes to the Holidays Act, please contact us.

Clearly all employment agreements, both collective and individual, will need to be updated to reflect the changes. Also, wage and time records will need to

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Taurus Group

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be amended. We are able to assist in these areas and anybody who wishes to discuss these matters should contact our office.

Minimum Wages

- Dick Knapp

Minimum Wage Act 1983

From 1 April 2004 the minimum wage increased as follows:

	Old Rate	New Rate
Adult rate	\$8.50	\$9.00
16 – 18 year old	\$6.80	\$7.20

The increase equates to a 5.9% increase in the rates.

Employment Agreements – does your business have them?

- Dick Knapp

The introduction of the Labour Relations Act in 2000 produced a number of subtle changes relating to employment of all employees.

One of these is contained in Section 65 of the Act. It is a requirement that all employees must have a written Employment Agreement.

Whilst it has been common practice for a letter of appointment to be an acceptable form of contract in the past, the Act goes on to stipulate a number of requirements that must be included in any individual employment agreement.

These include:

- Names of the parties
- Description of the work
- Location of the work
- Times of the work
- Wage or Salary
- Plain language explanation in relation to Resolution of Employment Relations problems.

Recent court decisions have indicated that the penalty for not complying with this provision could attract a penalty of \$500.00 per individual concerned.

Taurus would strongly recommend that all clients review their current Employment Agreements to ensure compliance. In the event of help being required, **Dick Knapp** of our office would be happy to assist with any such review and drafting of documents to ensure compliance.

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Funding Facilities

- Geoff Angus



It's an old cliché but “often the best time to fix the roof is when the sun is shining!”

Another cliché says “a bank is happy to lend you an umbrella when it's fine but will want it back when it rains!”

Often businesses need increased banking facilities when trading has been poor and we are often approached to assist to assess and negotiate banking facilities when businesses are performing poorly.

But it is that much more difficult to negotiate with the lender from a position of weakness. The time to renew your banking facilities is when things are going well. Don't wait to review your banking requirements when you're struggling. Get adequate credit lines in place when you are trading well – some insurance against the bad times. We recommend you review your banking facilities annually – review how much funding you need and get a bit in reserve just in case.

Speak to us at Taurus if we can assist in this area.

Simple solutions to computerising your accounting systems

Cash Manager – a simple computerised cashbook which allows you to:

- record your receipts and payments for multiple bank accounts
- reconcile the cashbook to your bank account
- process GST returns
- debtors invoicing and creditors module available
- budgets
- view various management reports
- import transactions data from online banking
- export transactions to our client ledger system

MYOB - Taurus are now resellers of one of NZ's leading integrated accounting systems.

For further details contact **Michael Kohing** or **Craig Hibbert**.

Investor News

www.taurusnz.co.nz

Westpac Canterbury Centre Update

We recently successfully promoted the Proportionate Ownership syndication of the landmark Westpac Canterbury Centre building.

The proportionate ownership offer drew strong interest including enquiries from several large investors who expressed interest in acquiring the whole property and one party who initially sought a 51% stake in the syndicate and ultimately took 100% of the investment.



We will be undertaking further syndicates so let us know if you have any interest in this type of property investment.

We have given our website a facelift and implemented some new features.

Newsletters and Current Issues

You can subscribe to our newsletter, which will be posted on a regular basis. Copies of previous newsletters will be archived on the web site.

Other specific items of interest will be posted on the web site regularly.

Investment Opportunities

Our web based Investor page is now live. Clients who qualify as a “habitual investor” can register online and obtain access to information on current investment opportunities before these are released to the general public.

Simply complete the online registration form or contact Bevan Pierce for more information.

Secure Client Area

For clients who would like online access to their financial records, our website has a secure area for clients. Data is uploaded as a pdf document so you can print it out. Simply go to our Client Area and register to obtain a user name and password.

Preparing your 2004 financial statements and tax returns

Clients who have tax returns to file for the year ended 31 March 2004 will have received their questionnaires and other forms.

It is important that all forms are completed, **signed** and returned with your accounting records before we can commence work.

Of particular importance are the Questionnaire, Terms of Engagement and the Client Authority.

Please be sure that all the required information is provided as missing information will delay the finalisation of your tax returns.

A new value added service we are providing this year is **Benchmarking**. Your annual results are benchmarked with similar businesses around New Zealand. Where applicable, an extensive report is generated and will be added to your financial statements folder.





T A U R U S

Business Insurance

Taurus, through our association with financial services group Incompass Ltd, have developed a relationship with Marsh Ltd, one of New Zealand's leading insurance brokers.



This strategic partnership with Marsh has been developed in order to offer you independent professional advice on insurance and risk management.

Marsh specialise in business risk products covering a wide range of liability and general insurances.

Examples of liability cover include:

- ✓ Professional liability
- ✓ Director's and Officer's liability
- ✓ Statutory liability and Employer's liability
- ✓ E-surance
- ✓ Clients operating overseas

General insurance cover includes:

- ✓ Material damage (physical assets)
- ✓ Business Interruption
- ✓ Motor vehicle and Heavy machinery
- ✓ Marine cargo
- ✓ Watercraft
- ✓ Travel
- ✓ Aviation
- ✓ Forestry / crops
- ✓ Domestic

Some key elements Marsh can provide are:

- ✓ A no obligation review of your business insurances
- ✓ Personalised and prompt service
- ✓ Competitive and consistent premium levels due to the size and strength of Marsh
- ✓ Comprehensive Policy wordings

Marsh will work with you to identify your risks and establish which risks are the most appropriate to insure for your business.

To discuss your business insurance requirements or to arrange for a Business Risk Review with a Marsh representative, inquiries in the first instance should be made to **Michael Kohing** at Taurus.

Recent developments at Taurus

Martin Dale, who has been with Taurus since April 2000, has left us to pursue his own business interests in the area of Business/Life consultancy and IT. He will be involved with Taurus as a consultant for special projects. Martin will be operating from the Taurus premises and is available on his normal phone number or 021 450 558.

Craig Hibbert is now working for us on a part time basis. With the support of Taurus he has set up a consultancy business, Bookworks Ltd, which will be assisting our clients with day to day accounting operations such as Cash Manager transaction processing, GST return preparation and developing business plans. Clients interested in using his services can contact Craig on 021 148 3995 or leave a message with Gilly.

Welcome to **Bevan Pierce** who is working with the Capital and Finance team and is responsible for identifying, developing and growing investment opportunities for our clients. Bevan has a background in banking, insurance, manufacturing and property management.

Directory

TAURUS GROUP LIMITED

Taurus Accounting Solutions Ltd

Wayne Bailey	Alan Calder
Michael Kohing	Chris Hardy
Claire Norris	Angie Mehlhopt
Nicky Isherwood	Kristin Cameron
Kellie Oliver-Morrish	Jenny Kaye-Blake

Taurus Capital and Finance Ltd

Taurus Mortgages Ltd

Geoff Angus	Alister Bull
Stephen O'Connell	Des Knowles
Russell Latimer	Bevan Pierce

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Colin Reynolds (Administration Manager)

Gilly Eade (Reception / PA)

Paula Keall (Administration Assistant)

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