

Staff Profile

Gary McCosh

Gary joined the Taurus Finance and Advisory team in September 2007 after a 17 year career in banking, including 6 years in Business and Corporate Banking with Westpac. Prior to leaving the bank, his role as Corporate Analyst exposed him to a wide range of industries including manufacturing, importing, exporting and retail.

He brings a wide range of skills and is experienced in all aspects of retail and commercial banking affairs, particularly business and corporate finance.

Gary is able to use his experience, the contacts that he has gained and the expertise of the Taurus team to assist clients with all of their financing needs.



Staff Movements

Tuesday 23rd December will be Toni's last day at Taurus before she goes on 12 months maternity leave. Clients will have seen the progress of "the Bump" over the last few months and we wish Toni and her husband, Craig, all the best for a safe arrival in January 2009.

Fiona Spagnuolo has been appointed to take over at Reception whilst Toni is on leave and began with us on 8th December.

On 3 November Mark Styles joined Taurus. Mark has just completed a full time year at University of Canterbury and will be working in the Accounting Services team. Since starting he married fiance Amy in November.

Congratulations to former staff member Nicky Hiku (nee Isherwood, who worked for Taurus between 2000 and 2006) and her husband Reuben who have had their first child, Caleb, on 1st December

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

Taurus Human Resources

Dick Knapp

Finance and Advisory

Geoff Angus (Director)
David Kitson (Director)
Des Knowles
Gary McCosh

Taurus Mortgages

Russell Latimer

Administration

Colin Reynolds
Fiona Spagnuolo
Robyn Simpson
Liz Cave

Address and Contact details

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Our services at a glance

Accounting Services

Preparation of:
- financial statements and tax returns
- GST & FBT return preparation
- periodic management accounts
- budgets and cashflows
Business structures and tax planning
Business valuations
Succession planning

Human Resources

Recruitment and employment issues
Change management & restructuring
Mediation and dispute resolution

Finance and Advisory

Negotiation of:
- Commercial Debt funding
- Equity finance
Project finance
Property management
Due diligence
Turnaround management

Taurus Mortgages Ltd

Negotiation of:
- Housing loans
- Business loans



T A U R U S

Running with the bulls

December 2008

Office Hours over Xmas and New Year

As Christmas is upon us we advise the following key dates for office hours over the Xmas and New Year period:

The office will close at noon on Tuesday 23rd December 2008.

We will re-open on Monday 12th January 2009.

The team at Taurus would like to take this opportunity to thank all clients and business associates for your business during the year. We wish you a Merry Xmas and please take care if you are travelling away on holiday.

Taurus introduces Paul Wouters

The Directors of Taurus Group Ltd wish to welcome Paul as a director and shareholder of the company. Paul joined Taurus in July of 2006 and has worked as a Chartered Accountant in Christchurch for many years.

He has developed expertise in many areas including general business advice, business acquisitions and sales, taxation advice, trusts and equity raising.

Outside of Taurus he enjoys spending time with Sarah and their family, running, squash, karate and other activities in order to keep fit.



Your Business and the Bank

By Gary McCosh

These are very interesting financial times we live in. Talk of a global recession and a real lack of liquidity between financial institutions means that sourcing funds at any level is a more difficult task than ever before, and even when funds are available they now come at a premium.

Even though governments are doing their bit to improve the situation it's in this environment that we all have to operate and try to grow our businesses. More than ever, we need to maintain strong relationships with our professional advisors and in particular, our Bankers.

We touched on this in our June 2008 Newsletter "Keeping Your Bank Manager in a Good Mood" but I think it's worth expanding on here. More and more when we talk to Bankers the clear message is that clients need to maintain good communication. This includes keeping the Bank well advised of how your business is tracking and of the issues you are facing. It may just be by way of a quick email or phone call once a fortnight but allows your Banker to better understand your business and your industry and maybe suggest solutions ahead of time. Don't leave it until things "turn to custard" and then expect the bank to grasp the issue and react immediately. In the same light, keep your accountant involved as Banks will expect you to have good information and financial forecasts.

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Associated persons update

One of the most controversial elements of the tax legislation introduced in July are the changes proposed to the definitions of associated persons.

While there are advantages as a result of the rationalisation of the definition, reducing them from four definitions down to one, there is little doubt that the purpose of the changes is to curtail the opportunity to circumvent the rules through the use of complex tax structures.

Weaknesses in the existing definition have been addressed. Key changes include:

Settlers of a trust. Under the proposed change, two trusts with the same settlor will be associated. The settlor will also be considered associated.

Aggregating interests of associates. When determining if two companies are associates, shares held by a shareholder will be deemed to be held by any other person that is associated with that shareholder.

Tripartite tests. Two people will be deemed to be associated if they are both associated with a common third party.

For the purposes of the land provisions, the reforms will apply to land acquired on or after 1 April 2009.

The proposed changes should not affect the status of existing investment property or property acquired before 1 April 2009. Generally, there is no need to restructure existing property holdings where that property is not affected by the existing associated persons rules.

However, those that are actively involved in land dealing or other land transactions, should seek advice as soon as possible to ensure current land ownership structures are reviewed with respect to these changes.

Interest rates are dropping. Are you getting the best deal?

You may have noticed that since July the Reserve Bank has been reducing the OCR (Official Cash Rate) in order to stimulate the economy. The direct impact on you as a business owner or home owner is that interest rates for business loans and residential mortgages are falling for both variable rate facilities and new fixed term facilities.

On 4th December the OCR was reduced by a further 150 basis points to 5.00% being the 4th successive rate reduction after being at 8.25% a year ago and it is possible that interest rates may continue to fall. This trend may influence your decision on whether to lock in a fixed rate or ride out a variable rate if you are due to refinance existing facilities or are looking to draw down a new facility. There is also the decision on how long to fix or go variable, with banks currently offering terms ranging from 6 months to 5 years.

If your current finance facilities are due for review or you are looking for further finance please call Russell Latimer or Gary McCosh for a free, no obligation discussion.



Reminders for your diary

January 2009

- 15th: Provisional tax second instalment (March balance date)
- 15th: PAYE payment and employer monthly schedule for December ("large" employers)
- 15th: GST return and payment for the period ended November
- 20th: PAYE payment
- 20th: FBT quarterly return and payment for period October to December
- 20th: RWT return and payment for the period ended December

February 2009

- 5th: PAYE payment and employer monthly schedule for January ("large" employers)
- 20th: PAYE payment
- 20th: RWT return and payment for the period ended January
- 28th: GST return and payment for the period ended January

March 2009

- 5th: PAYE payment and employer monthly schedule for February ("large" employers)
- 20th: PAYE payment
- 20th: RWT return and payment for the period ended February

Your Business and the Bank -continued from page 1

Often your business lending facilities are also subject to regular reporting commitments as well as some form of "covenant" monitoring. It's important that this information is both timely and of a good quality and this is where your accountant can assist, not only in diarising and preparing the information but also advising on your internal systems which is the starting point of any good record keeping. This is also a good opportunity for you to review your business and "keep your finger on the pulse".

"But," I hear you say, "I don't have time to do this and getting my accountant involved costs money". Well, if you have good systems to start with, and your accountant understands what you need, then the time factor and cost can be reduced. Accurate and timely reporting to the Bank may actually save you money as we know of instances when Banks have applied penalty interest rates when reporting is out of order. Most importantly though, when you need assistance from your friendly local banker, then having provided good reporting may be the difference between getting a prompt and positive response, or not.

At Taurus, our team has many years of experience in both accounting and banking, and we use these strengths to offer a solution to your Bank reporting and monitoring requirements. We will diarise what is required and when, and will work with you to ensure that the Bank is fully informed. And remember, even Banks don't always get it right so it's important to have someone independently review what is being asked of you to ensure that it's accurate and achievable. Talk to us today. We'd love to help and get you on the front foot for the New Year.

Have a relaxing and safe Christmas break and best wishes for a prosperous 2009.

Domestic Reverse Charge A significant change to GST

The IRD has recently proposed some significant changes to the current GST system.

The Domestic Reverse Charge (DRC) proposal will apply to transactions between GST registered persons and provides for the purchaser and the vendor enter into an agreement where the purchaser takes full responsibility to account to the IRD for GST output tax. i.e. the vendor is not required to pay GST and the purchaser accounts for the tax and claims a corresponding input tax, which achieves GST neutrality.

Under the proposed system the purchaser will not be required to pay the GST component to the vendor with the purchase price. Rather, the purchaser pays the vendor GST exclusive price.

Often, the purchaser has to fund the GST component of the transaction which may be a considerable amount and will be out of pocket until the GST refund is received.

Under the present system the IRD incurs a credit risk on the vendor but is still required to refund the purchaser's input tax regardless of whether the corresponding output tax is paid. e.g. where the vendor and purchaser account for GST on different accounting bases.

There are a number of transactions to which the DRC is proposed to apply, including:

- Transactions involving significant assets
- High risk GST transactions
- Sale and purchase of going concerns
- Sale and purchase of land
- High value transactions (> \$50m)

We will keep you informed as more detail on this proposed change comes to hand.

