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## **May 2011**

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# Editorial

This week the Principals and Senior Accountants here at Marriotts met to discuss our Marketing Plan and initiatives in a post-quake environment. The underlying principal that evolved from that meeting is that we need to hold fast to our view that our plan must be based on what we can be doing to help our clients achieve their business and personal goals – it's personal. Part of our Mission Statement says that we are committed "to help clients achieve their personal and financial goals". I know this principal is simple to talk about, but it's the execution that we will really be focused on over the next 6 months.

At our meeting we said that our marketing plans will be based on four key areas, they will be:

1. Enhanced relationship development
2. Client and Partner hosting
3. Service awareness advertising
4. Enhanced communication channels

## **In terms of execution, what will this mean to our clients and partners?**

Our relationships with our existing clients are different to most firms, because they are personal. At Marriotts we know you, we know your business, and we know what your aspirations are – we care. Many of you have taken us up on our offer to visit you at your workplaces – thank you for the hospitality. We will continue to look for ways to surprise you, to offer you advice that challenges you and that adds value beyond the norm – we listen.

Enhanced relationship means that the better we are at building our relationship with you the more we will be able to be of service. As with any organisation we want to work with people who understand and are attracted to our SERVICE|EXCELLENCE|FUN work philosophy. So, we want to work with new clients who may need greater support and higher levels of commitment than their current service provider may be offering at this time. We have great people who are committed to doing great work for our existing and new clients. We love referrals to our service from existing clients – we get a lot of these!

We are committed to providing information and networking opportunities by having you join us at our offices. We will begin a series of targeted and important 'hosted sessions' for clients and referral partners at Marriott House in Victoria Street. Making our clients generally more aware of their financial and business options is powerful.

Print media advertising will be a small focus. It's a branding opportunity and an opportunity to show in many cases our successful relationships with our clients.

Finally our communication channels will be enhanced by better use of on-line information. We will use electronic newsletters, emails and our website to get timely and useful information to you about our services and specifically with our website we will host and store critical information for you.



Designing and creating financial and business solutions is what we do and we're told it's what we're good at. Please call us or, even better, come in to Victoria Street, we look forward to that.

Graham Russell  
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# Employment Relations

Changes to the Employment Relations Act 2000 were passed by Parliament in November 2010. Most changes came into force 1 April 2011.

The legislation introduces a wide range of changes, many of which will affect our employer clients. Some of the changes make employer life simpler, some spell out what should already be best practice, and others will invariably add to the administrative burden of employing staff.

For a more comprehensive read, refer to the Department of Labour's booklet – "Changes to the laws on employment relations and holidays", at [www.ers.govt.nz](http://www.ers.govt.nz).

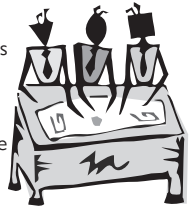
## Changes to the Employment Relations Act at a Glance

### Main changes and implications

Please note: All outlined changes will be applicable as of 1 April 2011 (unless otherwise stated).

#### Union access to workplaces

- » Unions must seek permission to access a workplace
- » Employers must not unreasonably refuse access



#### Collective Bargaining

- » Employers may now communicate their proposals directly with employees
- » They still, however, need to ensure that they do so in a way that recognises the union, does not constitute negotiation, and does not undermine the union or the bargaining process

#### Retention of individual employment agreements – changes apply 1 July 2011

- » Employers must retain a copy of every individual employment agreement, even where the employee has not signed the agreement.
- » Labour inspectors are charged with enforcing these new requirements. They must give employers seven working days to remedy any breach, failing which, the employer is liable for a penalty.
- » Employers need to check their employment agreements and ensure that they include compulsory information. Those who provide a defective employment agreement will be liable for a penalty.

#### Trial period provisions

- » The current 90-day trial period is extended to all employers.
- » Enables all employers to dismiss employees within the first 90 days without the employee bringing a personal grievance challenging the dismissal.
- » Where a trial period is used, a legally effective clause will have to be included in the employment agreement.

#### Test for justification in dismissal disputes

- » Whether a dismissal or action was justifiable must now be decided on an objective basis. The court will consider four commonsense elements of fair process.



# Employment Relations *(continued)*

- » The employer's resources will be taken into account.
- » Importantly, a process will not be unjustified if the process failures were minor and did not result in the employee being treated unfairly.

## Changes to promote mediation

- » Mediators will be permitted to talk to a party in mediation without the representative being present (where agreed).
- » This change will help to limit the practice of filing a claim with the Employment Relations Authority, preventing unhelpful costs being incurred.

## Labour Inspectors' roles and powers

- » Labour inspectors will be in an educative, support and (where required) compliance role.

## Extension and increasing of penalties regime

- » For companies, these increase from \$10,000 to \$20,000.
- » For individuals, from \$5,000 to \$10,000.

## Making the Most of the 90-Day Trial Period

The new Employment Relations Amendment Act 2010, which came into effect on 1 April 2011, extended the 90-day trial period to all employers; prior to the amendment only those with fewer than 20 staff qualified.

The Employment Relations Act legislation requires that in order for a trial period provision in an employment agreement to be valid, the agreement must be in writing and state:

- » that it is for a specific period not exceeding 90 days starting at the beginning of the employment, and
- » that during the period the employer may dismiss the employee, and
- » if the employee is dismissed they are not entitled to bring a personal grievance or other legal proceedings in respect of the dismissal.

If any of these elements are missing the trial period is not valid. In addition, the trial period provision provides that the employee has not previously been employed by the employer.

Since the enactment of the trial period provision, there have been several cases heard through the employment courts that give some clarity of interpretation of this legislation.

In *Parkes v Squires Manufacturing Ltd*, a recent personal grievance case, the employee received her employment agreement before starting work and signed it at lunchtime on her first day of work. The employer signed it a week later. The Employment Authority found that, as the employee had already started before signing the agreement, the trial period clause was not valid.

In *Smith v Stokes Valley Pharmacy (2009) Limited*, the Employment Court tested the 90-day trial period and applied a very rigid interpretation, which now provides the ground rules for employers. The court concluded that the employment agreement must include the trial period provisions (as stated above) and must be signed by both parties before the commencement of the employment.

EATING BANANAS MAKES YOU MORE LIKELY TO BE BITTEN BY MOSQUITOES. BANANAS INCIDENTALLY, ARE NOT A FRUIT, THEY'RE A HERB.



# Employment Relations *(continued)*

It was also concluded in the *Smith v Stokes Valley Pharmacy* case that although the employee cannot claim wrongful dismissal, they are still entitled to the protection of the good faith provisions of the Employment Relations Act. These require the employer and employee to be communicative and responsive in their relationship. The employer is not required to give reasons for the dismissal in writing but they are required to give the employee feedback so that they can learn from the unsuccessful trial and hopefully have greater success with their next role.

The Judge also looked at the issue of notice with respect to the trial period and concluded that notice can be given during the 90-day period for the employment to terminate after the 90 days. However, in the event of an unsuccessful trial there is no provision for 'payment in lieu of notice' or 'termination without notice'. Thus the notice period must be worked out, unless the parties agree to it being paid in lieu at the time that the employee is given notice.

In essence, the trial period provides a level of protection if you have sincerely endeavoured to meet the standards expected of a "fair and reasonable" employer.

## Business is different since February

Maybe your business is better, maybe not.

Whenever businesses change it is important to get the right advice.

### Call us for help with:

- » Change management
- » Business plans
- » Budgeting/forecasting and cash flow planning
- » Expansion or contraction strategies and advice
- » Insurance claims – we have specialised independent advisors available
- » Reconstruction of business records
- » Tax planning, or negotiations over IRD arrears
- » Operational or business advice and discussions with lenders
- » Any earthquake or general business issue



Contact David Hackston  
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NO ONE KNOWS WHY BUT 90 PERCENT OF WOMEN WHO WALK INTO A DEPARTMENT STORE IMMEDIATELY TURN TO THE RIGHT ...

## Income worldwide must be declared



New Zealand residents have to declare all income they receive from anywhere in the world.

“Income” now has a very strange meaning. For example, if you hold shares in a United States company which does not generate any dividends, you have income. This is because your income is calculated based on the value of those shares.

Overseas life insurance policies and superannuation funds can also be classed as a source of income, even though you might not receive any money from them. Be sure to tell us if you have one of these. If a policy is taken out in New Zealand with an overseas insurance company, there’s no tax problem.

The IRD has been making agreements with a large number of overseas countries to swap information, so don’t rely on not being caught.

Some people think they need to declare income only if they bring money back to New Zealand. This is not correct, even if they have paid tax overseas. New Zealand residents are taxed on their worldwide income. Usually, there is a credit for some or all of the foreign tax paid. There can be special tax rules, in regard to declaring overseas income, for people coming to live here from overseas. They last for four years. If you think you qualify, contact us.

## Lotto loot dispute over family trust

A businessman bought a Lotto ticket and won a large sum of money.

In a dispute with his estranged wife, he claimed in court he bought it for his family trust.

Buying Lotto tickets for your family trust could be a good idea because, if you win, your new-found wealth belongs to the family trust and is therefore protected against your creditors.

However, what was revealed in court was:

- 1 The man did not have an agreement signed by all the trustees (and dated) to buy the Lotto ticket.
- 2 This agreement needed to be in place before the Lotto ticket was bought.
- 3 Two separate judges said the purchase of a Lotto ticket was not a typical trustee investment. Trustees are not there to gamble with trust money. They have to handle it responsibly. Buying Lotto tickets on a regular basis might therefore be inappropriate. You would need to refer to the trust deed to see if trustees are permitted to buy Lotto tickets.
- 4 The man regularly used personal money for trustee expenses. This could call into question whether a trust exists at all. Never mix your money with trust money. Open a trust bank account and pay all the trust’s bills out of it.



# PAYE vs FBT

PAYE generally applies to cash paid by an employer to an employee, while FBT applies to non-cash benefits provided by the employer to the employee. However, it is not always clear whether PAYE, FBT or neither applies.

The basis upon which an employee receives a benefit will determine how it should be treated. For example, to reward an employee for their efforts an employer pays for an employee to attend an educational course of their choice, and the employee chooses to attend a cooking course for their own personal interest. In doing so, any one of the following scenarios could apply:

1. The employee organises to attend the course, receives the invoice and pays the cost, but is reimbursed by the employer.
2. The employee organises to attend the course and receives the invoice, but the employer pays the invoice on the employee's behalf.
3. The employer organises the course, receives the invoice and pays for the cost of the course.

The reimbursement payment under the first scenario will be subject to PAYE as it is akin to an additional salary/wages payment. In the second scenario, as the expense has been incurred by the employee (i.e. the invoice is in the employee's name), upon payment by the employer it is specifically captured as "expenditure on account of an employee" and also subject to PAYE. The third scenario is distinguished from the first two scenarios, on the basis that the employer contracts to procure the right for the employee to attend the course directly and provides that right to the employee, i.e. a non-cash benefit, and is therefore subject to FBT.

However, if instead of a cooking course the employer required the employee to attend a leadership development course, under each scenario above, no FBT or PAYE would be payable.

In the first scenario, a reimbursement payment is not subject to PAYE if the reimbursement qualifies as a non-taxable reimbursement. To qualify as a non-taxable reimbursement, the course would have to be deemed to have developed the employee's capacity to perform their job. On this basis, the payment would qualify as a tax-free reimbursement not subject to PAYE.

In the second scenario, the payment for the course is not captured as expenditure on account of an employee as it is for the benefit of the employer's business and therefore is not subject to PAYE. In the third scenario, because the benefit removes the need for the employer to pay a non-taxable reimbursement, FBT does not apply.

It is important to consider all the facts when determining if PAYE or FBT apply. It must be established whether the employer or the employee is incurring the underlying expense, and whether the employer benefits from the expense or if it is of personal benefit to the employee.



*IT WAS MEALTIME DURING A FLIGHT ON A BRITISH AIRWAYS PLANE: "WOULD YOU LIKE DINNER?" THE FLIGHT ATTENDANT ASKED THE MAN SEATED IN THE FRONT ROW. "WHAT ARE MY CHOICES?" THE MAN ASKED. "YES OR NO," SHE REPLIED.*

# Marketing an investment, not a quick fix

One of our clients gave up his job at Christmas last year and set out to establish his own business. We will not talk about the industry because we do not want to identify the client.

It soon became apparent it was hard to get established. He needed new customers and he needed them badly. By the time we spoke to him he had already contacted his best opportunities, some of whom said they would refer some work.

Chugging along on about half the income he needed, he was starting to get depressed.

"I am going to advertise in the local newspaper for the next month," he said.

This idea caused alarm bells to ring. Not only was it going to be costly but also it was questionable whether it would generate much income.

Marketing is a form of investment and good investments take time to turn into golden eggs.

In this case, once a customer is hooked, they are likely to stay with the business. We suggested the following:

- » Networking – join the local Chamber of Commerce or some other organisation where you can get to know people and get advice.
- » Raise your profile by becoming the chair of a sub committee or getting elected to the board. If you can chair the board – great.
- » Offer your services as a speaker. You are an authority in your field – public speaking raises your profile and your credibility.
- » Keep in contact with customers, existing, past and potential. Use a newsletter and send it out regularly. It needs to be well written and easy to read (see Getting the writing right on the following page). The client chipped in: "I'd rather send my newsletters by post than by email. It is too easy to delete emails and there is a better chance of hard copy being read." We are not saying he is right but he has a point.

Marketing is not a quick fix. From time to time customers will come to you some years after you have first caught their attention. That's why marketing is an investment.

Always have plenty of business cards with you, particularly when you are networking or speaking in public.

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## Toshiba Copier Available

A Toshiba copier/printer model E-Studio 351C is available for hire/rental at a monthly rate to be agreed. Currently not being used due to my merge with Marriotts. Prints in colour as well.

Please contact Alan Sharr at 379-0829 to discuss this opportunity further.

*DESPITE THE MANY RAT-INFESTED SLUMS IN NEW YORK CITY, ONLY 311 PEOPLE ARE BITTEN BY RATS IN AN AVERAGE YEAR. BUT 1,519 RESIDENTS ARE BITTEN ANNUALLY BY OTHER NEW YORKERS ...*



# Working for Families – Changes to Family Scheme Income Definition

The Working for Families (WFF) Tax Credits Scheme is provided by the Government for families with children aged 18 or younger, to help with day-to-day living costs.



To more accurately reflect the amount of income available to meet these costs, the definition of “family scheme income”, which is used to determine family assistance entitlements, was amended from 1 April 2011.

While the previous definition incorporated similar adjustments for calculating the correct level of WFF income, the latest round of changes is designed to go a step further. These changes seek to eliminate perceived loopholes that exist, such as the sheltering of income through the use of family trusts.

The following amounts will now need to be included when calculating a person’s income for family assistance purposes:

- » The income of a trust of which the person is a settlor (certain trusts are excluded, but income of a generic family trust will be caught), and income of a company of which that trust (and an associated person) holds 50% or more of the shares. In this situation the attributed income of the company is calculated based on the trust’s proportionate shareholding in the company. The amounts attributed are reduced if the trust or company has either distributed its income or paid a dividend, respectively. If there is more than one company, the net income of each company is calculated and attributed separately and if one company has incurred a loss, the loss cannot be offset against the profits of other companies,
- » The taxable value of fringe benefits attributable to a person who (including associated persons) holds 50% or more of the shares in a company,
- » Total passive income over \$500 derived by dependent children such as interest, dividends, royalties and rent,
- » Portfolio Investment Entity (PIE) income where the income is not locked in until retirement,
- » 50% of certain pensions and annuities that are treated as exempt income,
- » Foreign sourced income of a person’s non-resident spouse,
- » Tax exempt salary and wages such as those from specific international agreements e.g. salaries received from employees of the United Nations,
- » Deposits paid to the main ‘Income Equalisation Scheme’ (for income from farming, fishing or forestry). Deposits captured include those made by the person and companies and trusts that meet the above requirements for family scheme income. Conversely refunds from the scheme are excluded,
- » A further catch-all provision has been introduced to capture additional payments received by a person that are used to replace lost or diminished income or meet the living expenses of the person’s family if the total of the amounts received exceed \$5,000. For example, if a person’s parents pay his/her family’s utilities bills each month and the amounts total more than \$5,000 per year, then that total amount is included as income.

It is important that families who are currently receiving WFF payments review all sources of their income and contact Inland Revenue to ensure they are receiving the correct level of benefit.



# Agent vs Principal

An agency relationship exists where one person (the agent) acts or appears to act on behalf of another person (the principal). However, it is not always clear that an agency relationship exists. There are various situations that can arise in a commercial context and it is important to correctly determine the capacity in which a person is acting so that each party can account for the situation correctly. This depends on the particular circumstances of each supply.

The following factors indicate a vendor is supplying goods/services as an agent:

- » Another person will be bound by the vendor's actions,
- » The vendor's ability to negotiate the terms and conditions of sale are limited pursuant to an agreement with another person,
- » Another person is financially liable for the vendor's actions,
- » The vendor is limited in their ability to affect the profit derived from a transaction as they are paid on a fixed or commission type arrangement,
- » Another person will be responsible for remedies/refunds due to the supply of unsatisfactory goods/services,
- » The vendor does not set the price of the goods/services supplied,
- » If the customer does not pay, another person would sue the customer and not the vendor.

A person's capacity for GST purposes must also be determined because it is the principal that must account for a transaction, not the agent. For example, supplies provided by a person to an agent are deemed to be made to the principal and not the agent. Conversely, supplies provided by an agent are deemed to be made by the principal. A common example is where an employee incurs expenses on their employer's behalf. The agency provisions enable the employer to claim the GST input tax, even though the invoice is addressed to the employee.

A common source of confusion is supplier invoices, which narrate either expenses incurred by the supplier or the supplier's disbursements. For example, a business contracts with a broker to arrange for the importation of goods. The broker is GST registered and their services are subject to GST at 15%. To arrange importation of the goods, the broker incurs various costs including international airfares. When the broker's invoice is received, it details the costs incurred by the broker including the international airfare. A dispute arises because the business owner believes international airfares are subject to GST at 0% and therefore that portion of the broker's cost should not be subject to GST.

The zero rating provisions do provide that international airfares are zero rated. However, the broker is not supplying an airfare to the business.

*A LADY WAS PICKING THROUGH THE FROZEN TURKEYS AT A BRANCH OF SAINSBURY'S STORE BUT SHE COULDN'T FIND ONE BIG ENOUGH FOR HER FAMILY. SHE ASKED A PASSING ASSISTANT, "DO THESE TURKEYS GET ANY BIGGER?" THE ASSISTANT REPLIED, "I AM AFRAID NOT, THEY'RE DEAD."*



## Agent vs Principal (continued)

The broker is assisting the business with the importation of goods. The international airfare is an expense incurred by the broker to provide their service, which is subject to GST at 15%.

If however, the broker was acting as agent for the business and the charge for the airfare was thereby more akin to a reimbursement, the business would pay the broker based on the underlying GST rate, i.e. 0%.

The contracting parties often rely on the terms of a contract that may explicitly state whether or not the relationship is that of an agent. However, the Courts will take into account the rights and responsibilities of each party and have been known to reach a different conclusion than those prescribed in a contract. As each situation is different, care must be taken to determine the correct tax treatment on a case by case basis.

### Offices For Lease

**Do you need a bit of space?  
Maybe you know of some one?**



Are you feeling a little cramped, need to expand your thoughts or maybe just after some peace and quiet?

On Level 1 of the Marriotts building you will find “Offices On Victoria” – it holds office suites that look out towards Hagley park while within the CBD area which are modern, warm and friendly.

There is currently office space available for lease ranging from 13 to 18 sq m, the power and cleaning are included, also shower, photocopier, carpark and kitchen facilities.

So stop thinking about it, contact Tara Lord on 379 0829 to come in to have a look!

### Accountant’s tip – don’t crisscross entities

A client owned some rental properties in a company and some other properties in her own name.

She paid for some of the company costs out of her personal bank account and for expenditure on her own properties out of the company bank account. Another client regularly paid bills for her family trust out of her own money.

These situations cause extra work for the accountant.

If you can’t pay bills from the correct bank account, never pay them yourself. Instead, lend your money to the entity which is short of cash, so it can pay the bills.

If you pay small bills for your business out of your own pocket, get it to reimburse you, regularly.



# Business Development Basics

## BUY! NOW!

A commonly held marketing statistic reveals that, on average, businesses spend the majority of their marketing dollar prospecting for new customers compared to nurturing and developing relationships with current customers. These statistics also tell us that on average it can cost six to seven times more to sell something to

a prospect than to sell that same thing to a current customer, and that repeat customers spend 33% more than new customers. Although these statistics are observing general trends, it is worth taking the time to evaluate whether you are effectively nurturing current customers in a way that develops the opportunities that exist for repeat and new business. This could be a key to unlocking growth that is right in front of you.

Some of the more recent marketing thinking views the value or benefit of a 'good or service' as being 'co-created' with customers through strong relationships and collaborative business development. To this end, Relationship Marketing focuses on the development of market or industry sector strategies, creating profitable partnerships and long term relationships with both customers and suppliers.

The following provides some basic pointers in developing this area of your marketing thrust:

- » research and intelligence gathering on customers and competitors,
- » the development of more personal or direct networks that lead to referrals or sales,
- » leading/overseeing formal proposal or presentation opportunities,
- » developing plans for winning new work from existing or target customers,
- » developing plans that focus on existing customer satisfaction, retention and growth, and
- » creating a customer-centric culture across the business.



As the name suggests, relationship marketing is more of a customer or market facing role so having strong inter-personal skills in support of the above actions will have a significant influence on the success of your marketing activities.

*THE POLICEMAN GOT OUT OF HIS CAR AND THE BOY RACER HE STOPPED FOR SPEEDING, ROLLED DOWN HIS WINDOW. "I'VE BEEN WAITING FOR YOU ALL DAY," THE BOBBY SAID. THE KID REPLIED, "WELL I GOT HERE AS FAST AS I COULD." WHEN THE POLICEMAN FINALLY STOPPED LAUGHING, HE SENT THE KID ON HIS WAY WITHOUT A TICKET.*



# Business Development Basics

(continued)

There are a number of tips listed below that may be useful to you depending on the product or service your business is involved in.

- » **Relationship building should be everyone's responsibility** – regardless of role make sure everyone knows about the business so they can confidently communicate this information to others. Share details with colleagues about products and services, strategy, performance, successes and industry trends. Communicate internally on a regular basis and recognise those who excel.
- » **Value all business relationships** – you never know what the people you meet today will be doing tomorrow, so treat everyone you meet with respect. Today you may not consider someone to be influential but tomorrow they could be your customer, so don't leave them with a negative first impression.
- » **Have a robust process for proposals/tendering** – not all formal opportunities are worth investing significant resources on, so ensure you have a tested and robust process around the “do we or don't we” question. Consider the likelihood of winning, strategic fit, profitability and how well you know the decision makers.
- » **Your best customer is the one you already have** – never take existing customers for granted. Take the time to get to know them and their business to enhance the relationship. You will increase opportunities to win more business and receive referrals from customers that value your efforts.
- » **Meet before you propose** – you will increase your chances of success with current or potential customers if you have met them face-to-face. Prepare well for the meeting and you will learn valuable information that your competition may not be aware of. Don't forget to listen more than you speak.
- » **Report card** – whether you win or lose a specific piece of business or new customer opportunity always ask for a post-decision debrief. You will learn what you did well and not so well to ensure future success.



Given that you will spend significantly more to find new customers compared to maintaining and obtaining repeat business from current customers, it makes good business sense to grow and enhance the relationships that you have already spent time and money on establishing in the first place.



# Snippets

## Earthquake Relief – Donation of Trading Stock

Currently, if a business makes a donation of trading stock, it is deemed to be sold for market value and tax is payable accordingly. To support businesses who have or wish to make donations in support of the victims of the Christchurch earthquakes, the Government has introduced draft legislation exempting donations of trading stock from this market value rule.



The draft legislation provides disposals of trading stock will be exempt if it has been disposed of:

- » to an unassociated person,
- » for the purpose of relief from the adverse effects of a Canterbury earthquake, and
- » the donation is made between 4 September 2010 and 31 March 2012.

A similar exclusion from gift duty has also been included in the draft legislation.

## Update: Penny & Hooper v CIR

Penny & Hooper is a landmark case involving two orthopaedic surgeons operating through companies and not receiving “commercially realistic salaries”.



The case was originally found in favour of the IRD by the Taxation Review Authority and later overturned by the High Court. In June 2010 the Court of Appeal swung in favour of the IRD. The taxpayers appealed to the Supreme Court.

The hearing by the Supreme Court of the appeal by Penny & Hooper has been delayed until 28 & 29 June 2011. The case was due to be heard by the Supreme Court in early March 2011, but this has been rescheduled due to the Christchurch earthquake.



# IT Speaks

## Moving Away From Paper



For the last few years we here at Marriotts have been slowly moving away from printing unnecessary paper and keeping electronic records whenever possible. Although we are a long way off the concept of a total “paperless office”, we have made significant changes, which made the recent earthquake events just that little less stressful. We were able to pick up an off-site backup of our data, and set up temporarily elsewhere without worrying too much about our physical files.

We think it’s a sensible idea that our clients have this concept in mind too. For one reason it lowers your risk to disasters; it’s also time and cost efficient.

### Simple ideas:

1. Swap your printer for a scanner. Probably not quite yet, but a fast scanner is a must.
2. Create a procedure to name and store electronic records. Download “CutePDF” freeware that will allow you to print any document to .PDF - a widely recognisable format.
3. Avoid the fax machine whenever possible, scan and email using .PDF. If you must receive faxes, receive them electronically. Programs such as eFax allow you to receive the faxes via email.
4. If you have the ability to email invoices and statements, why not give it a go. It will save you time and money; you might get paid quicker too.
5. Request to receive your purchase invoices electronically. Sign up to services that let you view your invoices and statements online.
6. Use dual monitors to improve desktop efficiency. Dual screens allow you to much more easily work between applications, and will limit your need print.
7. Most importantly with a paperless office: Backup your data – create a daily off site backup or, even better, let a programme run a secure back up to the “cloud”.

So when you are providing us with records, remember we like them electronic.



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Important: This is not advice. Clients should not act solely on the basis of the material contained in this newsletter. Items herein are general comments only and do not constitute or convey advice per se. Changes in legislation may occur quickly. We therefore recommend that our formal advice be sought before acting in any of the areas referred to. This newsletter is issued as a helpful guide to clients and for their private information. Therefore it should be regarded as confidential and should not be made available to any person without our prior approval.