

## WBB Newsletter - October 2008

### Our Topics:

- **Greater Tax Incentives for Charitable Donations**
- **feeSmart - The Smart way to pay your professional fees**
- **Complimentary Diagnosis of Your Business**
- **Associated Persons Changes**
- **Do you Really Know your Business?**
- **Provisional Tax Payment 15 January 2009**
- **IT Setup and Support – Oversold and Undersold**
- **Our Team**



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### Greater Tax Incentives for Charitable Donations

Tax incentives for donations of money made by individuals, companies and Maori authorities have been greatly enhanced.

#### Key Features:

**Company deduction** – companies may claim a deduction for all charitable or other public benefit gifts it makes to a society, institution, association, organisation or trust. The deduction is limited to the amount that would be the company's net income before taking into account the donation deduction.

**Individuals' tax credit** – a person who makes a "charitable or other public benefit gift" in a tax year is able to claim a tax credit for the tax year equal to one-third of the total amount up to your taxable income, of all charitable or other public benefit gifts made in that tax year. You are not limited to the amount of tax paid/payable. An absentee taxpayer is not eligible for the tax credit.

#### Application Date:

The changes apply for the income years corresponding to the 2008-09 and later tax years. If you have any queries regarding the above please contact Jacqueline Ironside on 486-5866 or email [jacqueline@wbb.co.nz](mailto:jacqueline@wbb.co.nz)

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### feeSmart - The Smart way to pay your professional fees

Astute cashflow management is essential for operating a successful business. In today's competitive environment many businesses prefer to spread their professional fees over the year rather than paying as a single lump sum just like rent or insurance premiums.

**feeSmart** is a monthly payment option available to our clients who prefer to fund their professional fees over a six or twelve month period. A **feeSmart** loan is:

- *Sensible* – existing cash or credit lines (e.g. Bank overdraft) are retained for other business needs
- *Simple* – a **feeSmart** agreement and Direct Debit authority are all that is needed
- *Stress Free* – avoid becoming an overdue debtor with your professional advisors
- *Smart* – the small credit charge is also a deductible expense to your business

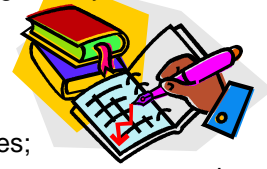
We know that clients using **feeSmart** are generally quite capable of paying their professional fee as a lump sum BUT they simply prefer to manage their cash more effectively. If you wish to explore this option either contact Beth on 486-5865 today or visit [www.feesmartdirect.co.nz](http://www.feesmartdirect.co.nz) for details.

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## Complimentary Diagnosis of Your Business

As featured in our July 2008 Newsletter we are offering a new service that has already proven very popular and has been of great assistance to our clients in these testing financial times – the WBB Business Needs Analysis. This programme helps you identify aspects of your business that are of concern to you and need attention. An Action Plan is drawn up to address these issues and dates are agreed by when these issues will be resolved.



Typical issues identified by our clients include:

- Need for updated Business Plan to chart future operations;
- Need to survey competitors and increase prices/chargeout rates;
- Need for calculation of updated breakeven points to cover current operating expenses/owners' salaries;
- Need to check recovery of chargeable hours for service businesses.

As a valued client of WBB you are invited to take advantage of this complimentary service. Contact Barry Clausen on 486-7020 or [barry@wbb.co.nz](mailto:barry@wbb.co.nz)

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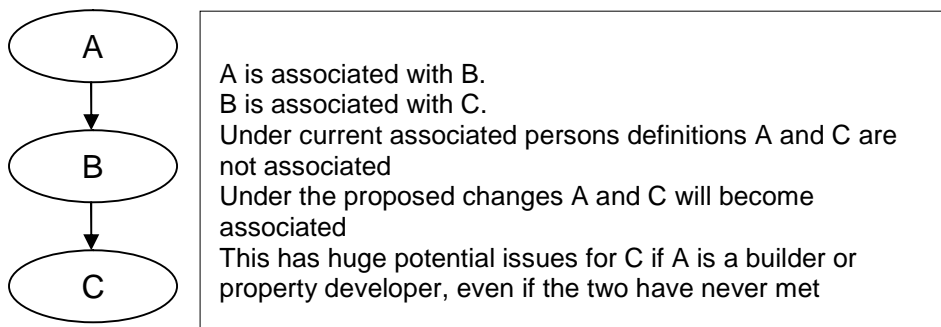
## Associated Persons Changes

There are proposed changes afoot in relation to the definitions of the associated persons provisions in the Income Tax Act, which will address the current loopholes in the legislation.

The main proposals are in the following areas:

*Trusts* – trustees and/or settlors and beneficiaries will all be deemed to have an association with each other. This is a potential trap for beneficiaries of a trust where the trust has a property developer as a trustee or settlor. In this situation the beneficiary becomes associated with the property developer through the trust.

*A GST tripartite test* – graphically illustrated



There has been a lot of commentary on the proposed changes but to date this has not had any effect on the gist of the proposals and it appears that they will be included in the annual tax bill to be presented on budget day.

These changes have the potential to impact on many taxpayers current structures, we recommend that you contact us if you want to review your tax structures. If you would like to know more please contact Arti Karan on 486-5871 or email [arti@wbb.co.nz](mailto:arti@wbb.co.nz)

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## Do you Really Know your Business?

How much do you really know about your Business? And how are you using that knowledge to make it a better operation and worth more?

Many business owners are too busy doing the doing to actually take time to consider the wealth of business knowledge they have and how best to utilise this to their competitive advantage.

We are currently working with a number of clients to discover just how much they know about their business and what they don't know that they should, so that they can make their business deliver what they want from it.

Can you answer the following questions about YOUR business:

- *Do you know what your breakeven Sales target is?*
- *Who are your most profitable customers?*
- *How many enquiries do you convert to Sales?*
- *What competitive advantage do you have over your opposition?*



We have a great product that helps you to investigate these and other matters and then helps YOU make an impact on your business. We have designed it in such a manner that it makes it cost effective for you to get the most out of investigating the issues that really matter to your business and with some guidance from WBB, take steps to focus on what is REALLY important to make your business deliver what YOU want it to.

Interested to know more? Curious to unlock the hidden potential in YOUR business? Call our office to discuss with Brett Craies on 486-7020 or email [brettc@wbb.co.nz](mailto:brettc@wbb.co.nz), how this product can help you benefit from what many of you already know or should know about your business.

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## Provisional Tax Payment 15 January 2009

The 2<sup>nd</sup> instalment of Provisional Tax for the 2009 tax year for most clients will be due 15 January 2009. Please refer to the table below for a summary of Provisional Tax dates. For those clients that are registered for GST you will pay your Provisional Tax at the same time as you pay your November 2008 GST, on the single GST and Provisional Tax Return (GST103) which is due 15 January 2009.

WBB will be in contact with clients early December to confirm payment amounts including posting IRD Provisional Tax Payment slips as normal at the same time.

			<b>31 March balance date</b>	<b>Non-standard balance date (other than 31 March)</b>
Not GST Registered		3 instalments	28 August 08 15 January 09 7 May 09	The 28 <sup>th</sup> day of the 5 <sup>th</sup> , 9 <sup>th</sup> and 13 <sup>th</sup> months after your balance date *
GST registered	One monthly and two monthly GST returns	3 instalments	28 August 08 15 January 09 7 May 09	The 28 <sup>th</sup> day of the 5 <sup>th</sup> , 9 <sup>th</sup> and 13 <sup>th</sup> months after your balance date *
	Six monthly GST returns	2 instalments	28 October 08 7 May 09	The 28 <sup>th</sup> day of the 7 <sup>th</sup> and 13 <sup>th</sup> months after your balance date.*





## IT Setup and Support – Oversold and Undersold

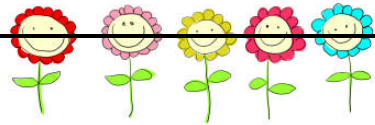
It is generally agreed that paying more than you need to for a business service, can impact the profitability of your company. But so too, can paying too little.

I can hear the chuckles already, “it’s not possible to pay too little for a service”. Picture this - your business has a server, and half a dozen computers. You use email for receiving orders from customers, enquiries from your website, and placing orders with your suppliers.

Guess what? Email is not working! Your customers are frustrated, your employees are having a second coffee because the email is not working, because neither is the server, or the broadband router. Perhaps this sounds far fetched, perhaps the email, server or broadband are just unreliable. Your customers, however are still probably frustrated, and so too are your employees. Lost business and lost productivity can impact on your businesses profitability.

So how do you avoid this situation without over spending? Get the fundamentals right – just like you seek good business advice from your accountant on running your business, get good advice on your IT setup. A well thought out design for your IT gives you a stable platform, backing this up with quality IT support you can rely on, goes a long way towards avoiding the lost productivity we talked about.

If any of this strikes a chord with you, and you would like to talk to someone about your computers, please contact Mike Kerr at I.T. Support Limited on 021 838 153 or email [mike@itsupport.net.nz](mailto:mike@itsupport.net.nz).



## Our Team

A big welcome back to Josie Taylor who has returned from maternity leave after bringing another gorgeous baby boy called Daniel into the world. Josie is now back working with us 3 days per week, Monday, Wednesday and Friday.

At the end of October we say farewell to Arti Karan for 3 months. Arti is leaving us on maternity leave to have her first child. A new wee Karan should arrive around the 9<sup>th</sup> of November. Will keep you posted. Arti will be returning to WBB at some stage in the New Year.

Regards

Phil, Lewis and the WBB Team

