



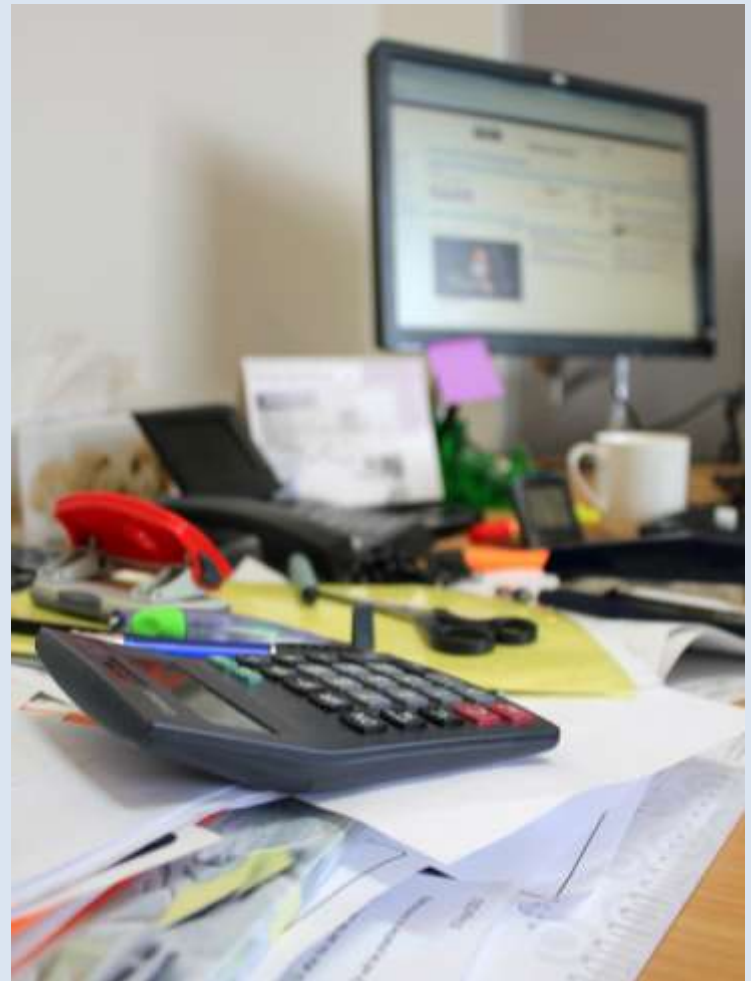
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## Spring clean your business

1. **Get rid of the clutter:** Not just the physical clutter in work spaces, but also the clutter within business activities themselves. If products or services no longer suit the market, clear them out or give them a makeover.
2. **Tidy the front yard:** Your business entrance, foyer or reception area says much about your business attitude, culture and likely service standards. Have a good look from a customer's perspective. What's the experience when they visit the business, phone your team, or order a product from your website? First impressions count.
3. **Fix the fence:** Review business insurances, document management and disaster recovery systems. Create an 'Important documents' folder and store insurance policies and vital business contracts, both in electronic and physical format.
4. **Throw some paint around:** When's the last time you refreshed your brand? Is it consistent with your culture and values? Maybe you are serving new markets now, or you've extended your products and services. Make sure your brand is applied consistently across all collateral, including your web presence.
5. **Sharpen any blunt edges:** Now's the time to learn new skills or develop simple training programmes to increase your team's productivity, or sales effectiveness. Internal training does not need to cost a lot of money. What it does need is your time, attention and commitment.
6. **Get the duster out:** Revisit old business plans, mission and vision statements. How relevant are they to today's world and markets? Plan a three-monthly goal check-in to review progress on your 2011 goals.
7. **Sow some seeds:** It's amazing the number of small businesses that don't have a marketing plan. Some of the most effective marketing plans are simply a list of activities, identifying the 'what' (the activity itself), the 'who' (who's the person driving the idea?) and the 'when' (when are we aiming to get this to market?). A marketing plan creates marketing gravity.



## GST private use adjustments

On 1 April this year, rules for calculating GST private use adjustments were simplified. Sounds great! Problem is that the new rules aren't very... simple. Private use adjustments are calculated at the time of purchase, each year if usage changes, and when sold. If you complete your own GST returns and need assistance working out how much GST you can claim or have to pay when you have an asset with private use such as a car, give us a call or drop us an email along with the facts. We'll do the calculations and send you a detailed work sheet with the calculations explained. That way if you ever have to explain your calculations to IRD, you're covered.

**GST private use  
adjustments are  
easy as**

**Yeah right.**





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## IRD Ramps up Audit Activity

The IRD has been active in relation to certain issues that it obviously sees as being troublesome. Two areas that we have recently seen increased activity in are so called 'black economy' activities, and foreign superannuation interests such as overseas pensions and annuities held by New Zealand taxpayers.

In relation to black economy activity, we have witnessed increased activity in relation to restaurants that are believed to be suppressing cash sales. In at least two instances of which we are aware, the IRD have made unannounced raids on the restaurants (and a private dwelling in one case) during peak business hours. Documents have been seized at these raids, and the raids are invariably followed up by a comprehensive IRD audit.

If you are in such a situation, you need to get specialist advice to clarify what rights a taxpayer enjoys in such a situation. Such taxpayers can always make a pre audit voluntary disclosure even after being raided, as usually no audit notification will have been received at that point. This can result in significant advantages for the taxpayer, as broad IRD policy is not to prosecute or impose shortfall penalties in such cases.

In relation to foreign superannuation interests, we have seen a number of risk review notices in relation to taxpayers who have cashed in or transferred their foreign superannuation interests after arriving in New Zealand. Tax consequences can arise from such cashing in or conversion whether or not the interests are exempt under the FIF regime. A number of advisors seem to be under the misapprehension that no tax issues arise if the interest is exempt from the FIF regime which is not the case.

In some instances a significant tax liability has been triggered unintentionally because no prior thought was given to such tax issues. Taxpayers who are potentially in such a situation need to take advice before any cashing in or conversion of the interest is contemplated, as there is usually a limited window of opportunity to take such steps in relation to such foreign superannuation interests without incurring any tax cost. Those that have already transferred or cashed in their interests should take advice to determine what tax issues may have arisen as a consequence.



Congratulations to Annika for her recent admission to NZICA's Chartered Accountants College.

We are very proud of her and this fantastic achievement.

## Staff Updates

**Dawn Prime**, one of our Client Managers, welcomed a new addition to her family just before midnight on the 29<sup>th</sup> September 2011, a bonny 8 pound 9 oz boy. Dawn is taking 12 months break from work to be a full time mummy to her four children and we wish her all the very best and have no doubt she will cherish every moment of it.

**Annika Dickey**, our Associate, is also adding her first daughter to her family of two boys and is due mid November 2011. Annika will be taking maternity leave from November through to end of February 2012 but wishes to inform all of her clients that she is still contactable by email on [annika@wwc.co.nz](mailto:annika@wwc.co.nz) during this period to attend to any matters on her client's behalf. She has access to all our databases and software so can continue to advise clients during this period.