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JACAL NEWS

Johnston Associates

Johnston Associates Chartered Accountants Limited, 202 Ponsonby Road, Auckland,
PO Box 91-842, Auckland 1030, Ph 09-361-6701 Fax 09-361-6702, www.jacal.co.nz

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“The passionate are the only advocates who always perform and persuade. The simplest person with passion will be more persuasive than the most eloquent without”.
Rene Descartes.

THE JACAL TEAM & SERVICES – 1 YEAR ON!

Johnston Associates Chartered Accountants Limited (JACAL) has recently celebrated its first year anniversary and is now firmly established.

Location is everything and we are enjoying Ponsonby, located on the lower floor of 202 Ponsonby Road, just opposite the Franklin Road intersection and right next door to the Sponge Bar. The building houses the main Accident and Medical Centre so you can't miss it!

Client parking is available at the back of the building, inside the garage along the far wall.

The team: Willy, Rick, Logan and Angie, are ably supported by the professional accounting staff of Chris, Michael Rupit, Adam, Brendan, Liam, Nicola and Nileshni. Antoinette and Amanda are our friendly administration and reception team, and are happy to assist you with any enquiry.

The team at JACAL are here to help you with any of your business needs. Please don't hesitate to call your advisor if you need assistance. In the event we are unable to help you directly we can refer you to other professional contacts on our database.

We provide the full range of Accounting Services; Statutory and Management Accounts; Budgeting and Cash flows; Support for bank funding applications; Company Incorporations; Completion of GST, FBT and PAYE returns; and business mentoring and advice.

JACAL SERVICES

- ✓ *Accounting & Taxation Services*
- ✓ *Investment, Rental & Development Property Advice*
- ✓ *Business Advisory Services*
- ✓ *Business Planning, Cash flows & Budgeting*
- ✓ *Periodic Reporting & GST*
- ✓ *Company Formation & Maintenance*
- ✓ *Trust & Asset Protection*
- ✓ *Financial Planning Advice and Programs*

EMPLOYMENT RELATIONS ACT & HOLIDAYS ACT 2003 – understanding the impacts on your business

It was no April's fools joke! On the 1st April the Holidays Act 2003 replaced the previous holiday's legislation covering annual leave and bereavement leave. All employees are covered, whether full time or part time or casual. 4 months on, and you should have reviewed and changed your payroll systems and policies and procedures. This will have included

updating the employment agreements already in place, to ensure they all comply with the new legislation.

Employment Agreements

All agreements must specify the new provisions of sick and bereavement leave, even if you have better conditions than the Act

requires. Your employment agreements cannot specify that a rate of pay includes an allowance for time and half. If you already have a provision that states this, it can stay in place for 12 months as long as it meets the minimum requirement of the Act. After this time, the agreement must state the employee is entitled to time and half.

Annual Leave & Public Holidays

Each employee is entitled to three weeks paid annual leave after 12 months continuous employment. The leave can be taken at anytime as agreed by the employee and employer, but the employee must be able to take two weeks leave at one time. From the 1st April 2007 the minimum Annual Leave entitlement increases to four weeks a year. All employees are entitled to a paid day off on a public

holiday if it would normally have been a working day. An employee can be required to work on a public holiday when it falls on the day the employee would otherwise have worked or if the employment agreement specifies that the employee would be required to work on that day. All employees who work on a public holiday (including ANZAC and Waitangi Days) are entitled to a minimum of

time and a half for the hours they actually work on the day and another full day off even if they only work part of the public holiday. Issues of staff taking sick days on a Public Holiday day are being hotly debated, with a government review committee being formed to construct a policy statement. Some declare the employee must be paid time and a half. At this stage, the EMA advises pay usual time. Watch this space!

Christmas & New Year 2004

Christmas Day and Boxing Day 25/26th December and New Years Day and the day after 1st/2nd January – how these days are handled will change from Christmas 2004. If the holiday falls on the weekend but the employee would not

normally work these days, then the holidays will transfer to the Monday and Tuesday, so the employee still gets paid days off. If the holiday falls on a Saturday or Sunday and the employee would normally work on that day then the holiday remains on the traditional

day and the employee is entitled to that day off.

Days in Lieu; unused sick leave; casual employees etc – for more information call the Department of Labour info line on: 0800 800 863

Or visit:
www.ers.dol.govt.nz/holidays_act_2003/

*"I know where
I'm going,
and I know the truth,
and I don't have to be
what you want me
to be.*

*I'm free to be
what I want"*

Muhammad Ali.

Cash Manager V10 Release

A simple computer cash book that will handle your GST returns (including printing IRD GST forms) and summarise the years financial data for us to process. It will also provide you with updated income and expense reports. The latest release allows you to download transactions directly from your Internet banking package, saving you considerable time on the data entry, it will also memorise transaction types. Cash manager is compatible with our in house software and will make the provision of your year-end information less complex. Cash Manager is priced between \$260-\$820 (mostly at the lower end), depending on what level of the software you need. Additional discounts are offered if you are changing software brands of between \$160-\$260.

If you think this product would suit you, or you need to upgrade to the latest release call your JACAL advisor on 361-6701, and we can supply you with a demonstration disk.

“Things that go away by themselves, can come back by themselves, only bigger and worse to deal with”.

BANKLINK PRODUCT OFFERING FOR CLIENTS

BankLink is a software product that collects bank statement data from a total of 15 banks and financial institutions and sends us secure electronic copies of your bank statements every month. BankLink provides us with powerful software that can automate the coding of entries. Data entry is eliminated and data accuracy is improved. ANZ, ASB, BNZ, HSBC, National Bank of New Zealand and Westpac are among those supplying data.

If you are one of our clients still coding bank statements, using a manual cashbook or spreadsheet to record your transactions, consider the following:

How much time do you

spend on data entry?

What regular reports does your current system generate for you?

One of our clients was spending up to 4 days a month on manual cashbooks and GST; we have reduced this time via BankLink to just 3 hours.

Because the system will automatically code reoccurring transactions and the base information is pre recorded the time cost of data entry is dramatically reduced.

The system will generate the required GST reports.

We have three options available to you:

1. Full in house service, where we deal with the coding and processing of your transactions.

2. Partial in house service, we sort the entries and send you out a data file to code the uncoded entries and send back to us.

3. Offsite, you run the software from your office and deal with all aspects of coding.

The cost of obtaining the data is between \$5-20 per month, software inclusive, dependant on the option and the number of bank accounts processed. Most clients are at the lower end of the price scale.

If we are required to process the data this is charged for in addition to the above fees.

If you would like to discuss BankLink as an option give us a call and we will go through a costing for your business.

ACCOUNTING SOFTWARE OPTIONS FOR CLIENTS

By now all clients should be using a reliable and efficient software package to record their business activities, and transactions.

Your size, structure and nature of business will impact on the type of product you are or should be using.

We currently have a large number of clients using the MYOB software program, who are not operating this software to its best advantage. MYOB contains a number of features that will make processing of your accounts

easier and more efficient. MYOB and several other firms run courses to keep you and your staff up to date.

Jump Start in Auckland run some very good courses and can be contacted on:

630 0170 or www.jumpstart.co.nz

You can now back up MYOB to a Zip file and email it to us for review or year-end processing, please call us for instructions.

We would also suggest that you should all be running on the latest release of the software you have chosen.

Check out: www.myob.co.nz

If any of the above products interest you contact Adam Macfarlane on 361-2765

Disclaimer

While all care has been taken, Johnston Associates Chartered Accountants Limited and its staff, accept no liability for the content of this news letter, always see your professional advisor before taking any action that you are unsure about.

Johnston Associates
202 Ponsonby Road
Ponsonby, Auckland
PO Box 91-842
Auckland 1030

PHONE:
(09) 361-6701

FAX:
(09) 361-6702

E-MAIL:
lgranger@jacal.co.nz

Visit us on the web:
www.jacal.co.nz

TRUSTS & TRUSTEES DUTIES – The main duties

When making a decision to appoint trustees of your family trust you should consider the duties the trustee must perform & ensure you appoint someone who is capable of undertaking the appointment.

The Main duties include:

- The efficient management of the trust
- To act independently
- The duty of loyalty to act in accordance with the terms of the trust
- To take into account the Memorandum of Wishes of the settlor, if there is one
- To keep adequate records & ensure resolutions & minutes are complete to record trustees decisions
- Ensure records are kept in a safe place
- Review investment decisions at least annually
- Duty to exercise power in the best interest of present and future beneficiaries

Secure Electronic Communications

We all tend to use the Internet on a daily basis for business transactions, research, email, shopping online, or for managing our finances on line.

Unfortunately, all users, in both the business and personal areas, are becoming exposed to hackers and viruses that threaten the integrity of our computers, and the data stored within.

As such, care needs to be taken to ensure these communications are secure. Standard public internet service providers (ISP's) go some

way towards protection, however, the JACAL team recommends reviewing your current arrangement and ensuring a comprehensive approach to security by using trusted secure electronic messaging services.

It is important that the service is operated by a trusted third-party, who guarantees message delivery and content integrity.

Secure electronic messaging provides these services using

the public Internet and SSL based communications security, with messages being stored in a secure data centre. There is also a full audit trail of what has happened for each message.

The JACAL office use and recommend secureXchange. For more information, visit: www.securexchange.co.nz

JOHNSTON ASSOCIATES
P O BOX 91842
AUCKLAND MAIL SERVICE CENTRE

SAMPLE ADDRESS
LINE 2
LINE 3
LINE 4