

Tax Calendar

28 August 2011

Provisional Tax

**(Standard or Estimate)
1st Instalment
(March Balance Date)**

Business Quote

**"Planning helps
make a life out
of a living."**

~ Anon

From Brent and the Team...

Brent Dickins

Hamish Pryde

Kylie Cooper

Barbara McConaghty

Tracey Turner

Deanna Rackham

Rebekah Stokes

Jude Dickins

Lois Bond

Trudy Plaisted

Dean White

The information contained in this newsletter is of a general nature and should be used as a guide only. Before acting on this information, please consult us regarding your personal situation.

Hamish's Comments...

Some people believe that the business owes them a living. They have worked at their business for years and put in thousands of hours. The fact is they need to work **on** their business to make it work for them.

If you are completing a budget to stretch yourself or as a catalyst for improvement, has the big picture been considered first? By this I mean, is your business model still appropriate? Just because you have always sold widgets to Eskimos, is this still the best or appropriate thing to be doing? Should you diversify your range and enter new markets, or should you discontinue unprofitable product lines?

What are you trying to achieve? Is it:

- ✓ A better work life balance?
- ✓ More money?
- ✓ Building up the business to achieve a good sale price?
- ✓ Financial security?

Once you have decided what you want to achieve in business, then you can go about planning to achieve the end result. It's about thinking about outcomes first. To achieve a different result, you need to take different actions. To assist, you need to set some targets of success. Key Performance Indicators are the focus to develop strategy. KPI's need to mean something for people to make changes. If you can visualise and understand what the end goal is this will help drive the change needed.

To plan for success, the first step is the big picture. The next is understanding your business and what steps you need to make a difference.

10 Steps to Business Success Workshop

Workshop Details:

Date: Tuesday, 13 September 2011

Time: 5.30 pm — 7.00 pm

Venue: Manawatu Golf Club
Centennial Drive
Palmerston North

RSVP: Tuesday, 6 September 2011

Cost: \$79.00 (GST inclusive) per Business

Register online at www.coombesmith.co.nz



Gift Duty Repeal

The Devil in the Detail!

While Gift Duty is to be abolished from a 1 October 2011, the legislation pertaining to the eligibility for the Residential Care Subsidy remains. Specifically, the regulations under the Social Security Act 1964 hold that the following sums will be taken into account when determining whether a party is eligible for that subsidy.

- A. Gifts in excess of \$5,500 per annum made in the last five years prior to application for the subsidy.
- B. Gifts in excess of \$27,000 per annum made in any year prior to the above five year period, ie. any such gifts made more than five years prior to the application.

Please note that in relation to gifts made in excess of \$27,000 in any period more than five years prior to the application, there is no limit as to how far back these gifts, in excess of \$27,000, will be considered.

It is possible that, as from 1 October 2011, a person may write-off any debt owing to them by their Trust. However, if one of the reasons for establishing the Trust and transferring assets to it, was to assist with qualifying for the Residential Care Subsidy, then that person should consider continuing to gift at \$27,000 per annum.

For some people there will be quite a number of reasons why they established a Trust and transferred their assets to the Trust, for example:

- 1. Estate planning reasons.
- 2. General asset protection reasons, especially where the person is in business.
- 3. Relationship property claim protection, indeed - qualification for the Residential Care Subsidy.

The reasons for Trusts are varied and numerous, and a decision in each particular circumstance needs to be considered.

We believe that the on-going management of Trusts, including annual meetings, confirmation of strategies, correct and timely minute recording of decisions will be crucial to ensure Trusts will meet future tests of compliances.



Are you on track to achieve your Retirement Goals?

Maximising the value in your business often forms a large part of your planning for retirement, but it is important to consider whether additional resources are required to achieve your goals.

As qualified and experienced advisers, we help you to decide how much is enough, and work with you to plan and implement a strategy so that you can work towards enjoying the retirement you desire.

Please contact us to arrange a time to review your Retirement Planning. The first meeting is on us, and comes with no obligation.

Alison Lissington and Maryann Pratt
Phone (06) 355 4422

A Disclosure Statement is available free upon request.



Professional Investment Services (NZ) Ltd

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