



## Why do beans count?

OCTOBER 2009

Welcome to the October issue of the BRG Newsletter. We hope you enjoy some of the interesting and informative topics in this month's newsletter.

### Key Performance Indicators can help your Business succeed.



Key Performance Indicators (KPI's) are tools that are used to help people analyse their business' performance on a regular basis.

It would be a good idea for your business to select the key performance indicators that relate to your business (through budgets and previous financial results) and then have the key performance indicators calculated daily, weekly, monthly, quarterly and annually as required. This would enable the actual key performance indicators to be compared back to budget estimates to give management an indication of how the business is performing.

Here are some key performance indicators that would apply to most businesses:

- Gross profit percentage
- Average Sale
- Productive time %
- Debtors' days outstanding
- Stock turnover
- Net profit on sales %

Contact us if you would like to discuss Key Performance Indicators and how they might help your business.

### New double tax agreement (DTA)

A new double tax agreement between New Zealand and Australia has been signed on June 27 this year. What this means for New Zealanders doing business and investing in Australia is a reduction in trade barriers, improved certainty and the progression toward a single economic market.

Some of the key features include:

- lower withholding taxes on dividend and royalty payments between the two countries
- making pensions that are tax-free in one country also exempt in the other when the recipients move across the Tasman.

The new DTA will come into force once both countries have given legal effect to it, which in New Zealand will occur later this year.

### Making Inland Revenue payments electronically

When making your tax payments online, it is vitally important to make sure all details for the payment are correct. Each month, the IRD receives over 60,000 payments with incorrect details.

When making the payments please ensure there is sufficient reference details included in the payment, namely:

- Particulars – the IRD number of the company/person to which the payment applies
- Payee code - the payee code is a three digit alpha code identifying the tax type for the payment. For example INC for Income Tax and GST for Goods and Service Tax obligations. Enter the code for the tax type in the first box, leave the second blank and then enter the period date in the third box using the **ddmmyyy** format.

For a comprehensive list of the payment codes, go to [www.ird.govt.nz](http://www.ird.govt.nz) and use keywords tax type codes.

## Understanding Financial Statements

Understanding financial statements is a task that many business owners often put aside to concentrate on something more interesting. This results in many business owners not really knowing what is going on with their business, especially the cash flow control within the business.

Cash is the lifeblood of any business and it is the fuel that keeps the engine running. It is vital that business owners understand all there is to know about the flow of cash into their business and the flow of cash out of their business. The movement of cash is recorded within the financial statements, which are very useful as a tool to help in the management of the business.

Financial statements are required by business owners to understand how their business is performing. In addition to this, there is normally a requirement to produce them for banks and investors. Preparation of financial statements on a regular periodic basis can contribute greatly to the management of a business.

If you have any queries on any aspect of the interpretation of your financial statements, please do not hesitate to contact us.

## Around the Office

Another busy period for the office has passed. During the last month a team from BRG completed the 12km Fun Run/Walk in Tauranga on Sunday the 27<sup>th</sup> September. The weather leading up to the walk looked to be on the bad to worse side, but on the day the good weather shone through and all those who participated enjoyed the morning stroll.

Jasmine, one of our photo crazy technicians is in Singapore until the 25<sup>th</sup> of October. In her absence, any one of the other technicians (Karyn, Vicki, Nerissa, Ian or Bruce) can answer any questions you may have. No doubt once she returns we will have heaps of photos to peruse.

## Important Dates

Date	Category	Description
20 October	PAYE	<ul style="list-style-type: none"><li>Employer monthly schedule (<b>IR 348</b>) due for <b>small employers</b></li><li>Employer deductions (<b>IR 345</b>) form and payment due for <b>small employers</b> for the period 1 September to 30 September</li></ul>
20 October	RWT	<ul style="list-style-type: none"><li>RWT Return and payment due for deductions from dividends and deductions of \$500 or more from interest paid during September</li><li>RWT Return and payment due for interest payments made between 1 April and 30 September where deductions <b>do not exceed \$500</b> per month</li></ul>
28 October	GST	<ul style="list-style-type: none"><li>Return and payment are due for the period ended 30 September</li></ul>
28 October	Provisional Tax - Ratio Option	<ul style="list-style-type: none"><li>2nd Instalment (May balance date)</li><li>3rd Instalment (March balance date)</li></ul>
28 October	Provisional Tax - Standard or Estimation Option and/or 1 or 2 monthly GST filing	<ul style="list-style-type: none"><li>1st Instalment (May balance date)</li></ul>
28 October	Provisional Tax - Six monthly GST filing	<ul style="list-style-type: none"><li>1st instalment (March balance date)</li></ul>

## Quote of the month

It is not necessary to change. Survival is not mandatory. ~ W. Edwards Deming