

# Business Matters

STRATEGIES FOR MANAGING YOUR BUSINESS



**dfk**oswin griffiths  
CHARTERED ACCOUNTANTS  
Business Solutions International Connections

## Caution - small business scammers

The number of scams targeting small businesses has grown in recent years and the importance of owners preparing for possible threats is something to be considered. Without taking the necessary precautions and being in the know about the most common signs to look for, businesses are left exposed and vulnerable to a variety of scams.

Scams targeting small businesses come in many different forms and often, scammers will go to great lengths to convince businesses that their offers or requests are legitimate. Since a lot of these scams look like the real thing, many are able to take advantage of busy office environments and succeed in stealing company money.

Some of the most common scams getting around at present include the following:

### Refund scams

These will usually request a confirmation of personal details or an upfront payment in order to reclaim overpaid fees or tax. The scammer will usually pretend to be from a government agency, bank or private law firm.

- To protect a business from such scams, personal information should only be given out to those that our known and trusted or to those that were in fact contacted by the

business owner or employee themselves.

### Overpayment scams

A scammer will purchase goods and services from a company and send a cheque, money order or credit card payment for more than the agreed price.

The scammer will then request a refund for the overpaid amount in hope that the owner will do so before realising that the cheque in fact bounced or that their money order or credit cards were fraudulent.

### Office supply scams

These will involve the receipt and billing of non-ordered goods that are usually and regularly purchased by the business. Such items may include paper, printing or maintenance supplies and advertising.

The caller will claim to be the company's regular supplier and offer 'limited time only' offers that are in fact overpriced and of bad quality.

- Requesting an order number, inspecting the quality of goods and checking that they were actually ordered before paying any invoice is good idea.

### Direct entry/ unauthorised advertising.

A scammer sends a subscription proposal,

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CHARTERED  
ACCOUNTANTS



Liability limited by a scheme  
approved under Professional  
Standards Legislation.

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disguised as an invoice or renewal notice, for listings and advertisements in magazines or on questionable websites and business registers that were not authorised or requested.

These are often overseas requests and, although sometimes appearing to be free, will demand payment after the subscription is signed off on.

The scammer may even call to confirm

details of a pre-booked advertisement or offer a 'free trial' for which they will in fact charge you for later.

- Company records should always be checked to ensure that these orders were actually placed and any 'free trial' offer should be checked for hidden terms.

#### Domain name scams

A business will be sent an unsolicited

invoice for an internet domain name registration or renewal. The notice could be from a domain name supplier attempting to trick them into signing up to their service, or from a scammer trying to steal money.

- Businesses should always match renewal notices with their current domain name and look for differences such as '.com.au' instead of '.net.au'.



To ensure that a business is protected, business owners should also:

- Keep their filing and accounting systems well organised so that they can easily detect bogus accounts;
- Limit the number of people authorised to place orders and make payments for the business;
- Ensure that computer firewalls and protection software is up to date;
- Report any known scams to the appropriate government agency by visiting the SCAMwatch website.

## New laws for business registration

The new 'Companies and Limited Partnerships Amendment Bill', that was recently introduced in Parliament, will tighten the rules surrounding businesses and registration and owners are advised to familiarise themselves with these changes to ensure their compliance.

The Amendment Bill was designed to help expose and stamp out the growing number of overseas interests using New Zealand-registered shell companies to undertake in criminal activity around the world.

New Zealand has an international reputation of being a trusted place to do business. This bill will help protect that reputation and give legitimate local businesses credibility amongst the rest.

- Under the bill, companies will be required to nominate a resident agent if there is no director living in New Zealand or in an approved jurisdiction.
- Resident agents will be responsible for ensuring companies provide accurate information to the Registrar of Companies, and will be liable if companies breach their record-keeping and filing

requirements under the Companies Act.

- The Registrar of Companies will be given the power to flag companies suspected of non-compliance and investigate and deal with them accordingly.
- Companies that fail to provide accurate information or consistently fail to comply with the act will lose their registration and directors will be banned from company management for up to five years.
- For directors who commit a serious breach of their duties, carry on business in a way that risks serious loss to its creditors or for those who fail to act in good faith and in the best interests of the company, criminal offences will be implemented.
- Directors who commit such criminal offences will face fines of up to \$200,000 or imprisonment for up to five years.



Similar changes will also be made to the Limited Partnerships Act. This will mean that those misusing New Zealand companies will be unable to avoid the new regime by registering as a limited partnership instead.

# Making use of tablet technology

After almost two years since the release of Apple's first iPad computer, the rising demand for tablet technology continues to soar. With their convenient size, in-built keypad functionality and handwriting recognition technology, incorporating tablet devices into everyday business activities is proving beneficial to many businesses around the world.

Tablet computers have been seen acting as mobile portfolios for designers and architects, note-taking tools for use in company board meetings, for displaying presentations and as on-the-go computers for mobile warehouse employees, salespeople, real estate agents and medical staff.

The benefits of using tablet technology in business can mean a reduction in paper and printing costs, improved customer service, better staff-efficiency and, in some cases, even removing the need for employing certain staff.

In addition to this, these aesthetically pleasing devices can lend businesses a certain air of high-tech sophistication and elegance which can assist in improving their company image and developing client trust.

Below are some examples of innovative ways in which businesses are taking advantage of tablet technology that one might consider for their own business:

- Scheduling client appointments with task manager apps like 'Things'.
- Supplying delivery drivers with the ability to tap into a company's CRM



system from the road, obtain customer signatures which can sent directly back to the office and email invoices at the customer's door.

- Replacing wait staff with self-serve menus in restaurants - this could not only cut down costs of wages and printing hard-copy menus but it could also save time by allowing customers to quickly transmit their culinary desires directly to the kitchen and increasing the speed at which tables turn over.
- Participating in online business meetings is possible by either the 2-way audio function or via instant chat.
- Accessing and sharing files through the tablet's easy synch and back-up capabilities.
- In industries such as the media, tablets can be given to news anchors and radio hosts to replace paper scripts and can also double as audio recording devices for a journalist's vox-pops.
- Databases and inventory can be kept by retailers with apps like 'Bento' and customers can be given the opportunity to search for in-store items, make direct purchases and find out specific details about products.
- Some hotels have incorporated tablets into their guest rooms and suites, offering guests the opportunity to order room service items, make reservations, request wake-up calls and even control the lights and room temperature in their room.
- Car dealerships are utilising the technology as sales tools which can provide a salesperson with information about various car models, provide customers with interactive customisation and quicken the credit-approval process.
- One of the most impressive features is the ability to turn the device into a cash register. By attaching a special card-reader or by simply keying in the card numbers, applications such as 'Square' can process credit card payments and other transactions without the merchant fees involved in EFTPOS rental.

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## The abolishment of gift duty

The abolishment of gift duty, paid on the voluntary transfer of identifiable property, is effective from the 1 October 2011.

Taxpayers will no longer require expensive, time-consuming gifting programmes. Parents will be able gift their family homes to the family trust without incurring taxes.

Gift duty was originally intended to stop people transferring all their assets before they died to avoid 'estate duty'. As estate duty was removed from New Zealand tax law in the early 1990's, gift

duty has been deemed useless.

As such, it will no longer be required for taxes to be paid on gifts.

Despite these changes, taxpayers are advised to not become complacent with their gifting requirements and documentation and to make note of the following points:

- The repeal of gift duty does not remove the need to meet the legal elements of a 'gift'.
- A gift may not be given under duress and must be properly identified.
- The transfer must be a transfer of the beneficial interest in the property.
- The person giving the gift must not make anything in return and the person receiving the gift must accept it.
- Gifting deeds still need to be prepared and they must clearly identify and document the gift.
- Gifting deeds must be retained as evidence of the gifting.
- Trust administration must be adequate and records should be up-to-date.

# More money for businesses

**M**ore than half a billion dollars of yearly ACC levy reductions will go back into the pockets of New Zealanders and local businesses as a result of major improvements in last year's surplus.

Businesses are expected to save \$247 million a year in taxes and households, a further \$340 million.

New Zealand workers will receive increases in their take home pay and businesses will experience an improved cash flow, assisting significantly in New Zealand's economic recovery.

- The levy on wage and salary earners will be reduced by 17% - or \$170

a year for someone on the average wage.

- The levy on employers and the self-employed will be reduced by 22% - a saving of \$1120 a year for the average small business with seven employees.
- The Earners' Account Levy (paid by wage and salary earners) will decrease from \$2.04 to \$1.70 (including GST).
- The average Work Account Levy (paid by employers and the self-employed) will decrease from \$1.47 to \$1.15 (excluding GST) per \$100 of liable earnings from 1 April 2012.

Work levies for individual companies will depend on their industry classification and experience rating.

## WEB WATCH

### ESSENTIAL SITES FOR BUSINESS OWNERS

#### [www.allscamsforum.com](http://www.allscamsforum.com)

All Scam Forum is a user-based forum whereby people can share and discuss online and business scams currently circulating. It gives businesses and individuals the opportunity to warn one another, prepare themselves for possible threats and stay in the know about common scams.

#### [www.userguidemanual.com](http://www.userguidemanual.com)

For those who misplace user manuals or wish to check up on specifications and the ease-of-use of different technologies before making a purchase, information can be viewed, reviewed and downloaded via this site. User Guide Manual is an open source and contains user information on almost every brand and item of technology out.

## REMINDERS FOR YOUR DIARY

### October

- 20 Employer deductions (EDF/IR 345) form and payment due.  
Employer monthly schedule (EMS/IR 348) due.  
Quarterly FBT return and payment due.
- 28 Third instalment of 2012 provisional tax is due for people who have a March balance date and use the ratio option to calculate their provisional tax payments.  
GST return and payment due.

### November

- 21 Employer deductions (EDF/IR 345) form and payment due.  
Employer monthly schedule (EMS/IR 348) due
- 28 GST return and payment due.

### December

- 20 Employer deductions (EDF/IR 345) form and payment due.  
Employer monthly schedule (EMS/IR 348) due.

## A great read

Book – Snap Selling  
Author – Jill Konrath

The way that people buy is changing. Today's consumers, no matter what the industry, have access to more information online and have usually done their research before going to make a purchase. They begin every sales interaction from a position of relative apathy or downright distrust and are under extreme pressure to do more with less money and less time.

On today's consumers, yesterday's sale strategies no longer work and the need for sellers to appear credible, relevant and valuable is an absolute necessity - as is their need to be quick and efficient.

Too often, sales people make selling more complicated than it needs to be. They apply their techniques and sales pitches but fail to focus on the needs of the customer. In her internationally recognised book, 'Snap Selling', Jill Konrath turns this upside down.

Konrath shows business owners how to overcome current obstacles and win sales with today's frazzled customers. She outlines the need for sellers to be aligned with their customers throughout the buying process, to focus on the critical issues and create value, not just with their products and services but through their assistance.

She offers four basic principles for sellers to follow - keep it simple, align with your customer's needs and objectives, be invaluable with your customer service and raise priorities to ensure that the most important decisions remain at the forefront of their mind.

Although seemingly logical, Konrath's advice captures the secret to selling in a modern environment. She shows the steps that top sales professionals take to set themselves apart from everyone else and presents her knowledge in a powerful guide for all business owners and sales professionals.

Her book can be used as an introduction for those just starting out or as a contemporary refresher for the more experienced.

We are sometimes asked if we are able to help additional clients. We are a growing firm and do appreciate your referrals. We consider it a compliment when you recommend us to your friends and business contacts.