



Recently I read an article which discussed decision making. It started with the story of five frogs that were sitting on a log in their pond, and four of them decided to jump into the water. How many were left sitting on the log? Five, of course, as there was no follow through on their decision. The decision was easy, acting on the decision was the hard part.

Business decisions are often like this. We may know what the correct decision is (for instance, making people redundant when experiencing a severe downturn or loss of a major contract), and sometimes delaying the implementation of the decision can put the entire business at risk. The business environment is tough, and business owners need to step up. Cliches they may be, but the following expressions still sum up behaviour. Talk is cheap. Actions speak louder than words. And for all those that like to procrastinate; Do it now.

Motivation is different for everyone. I said to some friends earlier in the year that I was keen to ride in the Lake Taupo Cycle Challenge as it was an event I had thought about before, but had never participated in. It wasn't until one asked how the training was going (hadn't started) that I turned my decision into action. I sent an email saying I would see them at Taupo, and training started that day. I'm actually enjoying most of it, even though I am well outside my comfort zone, as I had not been on a bike for decades. It can be worth the effort to try something different, you never know how much you may enjoy it!

Sage 50 2014 (v20) is now available

The latest version of Sage 50, v2014, has now been released in New Zealand. We are offering a special software upgrade price of \$1695 + GST until the end of the year (normal price is \$1750 + GST). More details about new features are later in the newsletter and on our website we have a full list of features added since Sage 50 2009 (v15): www.beancounters.co.nz

Sage 50 v2009 (v15) End of Life Statement

On 1 July 2013, Sage in the UK issued an end of life statement for Sage 50 v2009 (v15) for UK users. This means that no support from Sage UK is available for this product. It also means that it is no longer possible to purchase upgrade licences for additional users and companies. If users wish to upgrade in the future, then they must repurchase the software at current prices. Automatic conversion of data is only possible for versions that are 5 years old or less (intermediate conversion steps are required for older versions).

Bean Counters Ltd will continue to support all versions of Sage 50 software, although versions we deal with infrequently are harder to support.

For a limited time, we are able to offer an upgrade amnesty to all Sage 50 users of earlier versions. The software upgrade cost is the same as for those users on v2009 and later. Normally old versions, once the end of life statement has been issued, require payment of the full software price in order to get to the current version.

How to check your Sage 50 Software Version

Log on to Sage 50, go to the menu bar and click on the "Help" option, then click on the "About" option.

With version 2012 and later the version number is displayed within the Program Details section.

Earlier versions show the version number on the "Details" tab.

Start-ups in tough times can be achieved

Many of today's successful businesses began in difficult economic times.

They had to be lean, adaptable and prepared to seize opportunities when they arose. They didn't have the luxury of boom times, when mistakes could be covered up.

The current tough times are full of opportunities. The following is a true story about Murray, who returned to New Zealand to look after his ailing mother, who had recently become a widow.

Murray had been working in a bank in Australia. He's single and in his late forties.

One day he was building a boulder retaining wall at home when a neighbour stopped to chat. This led to him being asked if he would like another job. Soon another neighbour, also a widow, needed some help and the owner of a house across the road wanted his garden maintained while he went to Europe for two years.

A retired friend designed a flyer and 150 of these were put in letterboxes. Murray said the flyer didn't work very well because he got only two permanent jobs from it. He then added "but I did actually get a couple of one-off jobs as well".

A 2% strike rate from a flyer would be pretty good, I told him. Murray has also picked up a couple of cleaning jobs. Within nine months he has built up an income of about \$800 a week.

To get started, he offered a below-market rate, but this was at least better than he would have got working for wages, if he could have found a job. Gradually, he's improving his charge-out rate as his business expands.

He was lucky not to have a family to support and to be living among an aging population in a reasonably affluent area, which is precisely where his target customers could be found.

What Murray did not have was a network, but he was able to take advantage of his mother's. A network supplies you with contacts and hence referrals. He also had no special skills to offer the market, but he took advantage of the opportunities as they arose.

Why do we tell you this story? Because many people are being made redundant. One may be your friend. Why not suggest they start out on their own? This way, like Murray, they'll have lots of bosses and if one makes them redundant, it may not matter too much.

Replacement house insurance - it's all up to you

The industry has bid goodbye to insuring your house for replacement. It was nice while it lasted.

In the future, the risk of not getting full replacement value is going to be on you. You will have to work out what it will cost to rebuild your house.

There are all sorts of hidden extras such as resource consent, retaining walls and swimming pools, which can be easily overlooked. Add to this the volatility of the building industry.

Finally, when there's a crisis such as in Christchurch, scarcity is going to make everything even more expensive.

Be very careful working out the cost of rebuilding. It's likely to be higher than the market value of your house (excluding the value of your land). You could get a quantity surveyor's help. Once he/she sets up the measurements, it should be easy to key in new monetary values in following years.

Once you have a cost of replacement, you then need to decide how much you want to add to this figure to allow for delays and price rises.

Dare to be different

A woman went into an appliance stop and asked "Please show me your Gaggenau appliances."

"Sorry madam, you will need to make an appointment," she was told.

She was taken aback until it was explained to her that time was needed to show just how good the appliances are. Would she please make an appointment for a full demonstration? She came again next day at noon. The salesman showed her how the Gaggenau appliances worked, including the oven. He cooked her a lunch which included a roast rack of lamb.

Was she impressed!!? Well, she placed an order worth \$40,000.

Do you rent your holiday home?

If you rent your holiday home, you need to keep records (in addition to income and expenditure) of the following:

- Who uses the home each day of the year
- Their relationship to you.
- Rent charged to each person.
- Details of any repairs, including the reason for the repairs.

New Features in Sage 50 2014 / v20

- **Foreign Trader in all variants of Sage 50**

Previously Foreign Trader was only available if you bought Sage 50 Accounts Professional. It is now available to all variants of Sage 50 Accounts as an extra cost module.

- **Foreign trader with GST Cash Accounting**

You can now use multiple currencies in conjunction with GST Cash Accounting, so no matter what GST scheme you're on, you can benefit from all of the great features that are part of Foreign trader.

- **Live Link**

Live Link is a great new way to keep up to date with the latest information about your software and support. Sage will also use this to let you know about any issues which may affect you, how to perform procedures at the relevant times of year and any offers that may be of interest to you.

- **Free Stock Display**

When you add a product to a Sales Order or Invoice you can now see the amount of stock that is available.

- **Stock Take Import**

You can now import a stock take from an Excel or csv spreadsheet which can save you lots of time if you have a lot of products.

- **Tool for removing redundant Product records**

Sage has created a new tool for removing stock transactions and stock records, and you can now clear stock on an individual product. This means you can remove individual products more easily, without having to clear all stock before a set date range.

- **Opening and Closing Stock Wizard**

There's a new opening and closing stock wizard to make it even easier to record your stock values when running a period end. This helps keep your Profit and Loss and Balance Sheet reports accurate.

- **Financial Year change**

You can now change your financial year on all variants of the software, so if you start processing in the wrong year or your accountant asks you to change the dates your financial year runs over, you can do this from within the software.

- **Archive at any time**

You can now archive your data at any time, not just when running the Year End routine. This means you can have a full read only backup of your company data from a specific date that you can load at any time without affecting your live data. This is particularly useful before big routines like clearing the audit trail.

- **Check Data Improvements**

This process has been improved to give more detail about the issues that are presented and a history of recent data checks. You can even access the tools to help you fix the data without running a check first. This saves you time and avoids having to run the check repeatedly.

- **Company List Improvements**

The Company List has been refreshed to give more information, like the financial year for your company, the VAT and version number and direct access to the data folder. You can even access Demo and Practice data straight from the Company List. The extra information is really important in helping to clearly identify each company without having to open them.

- **Stock Price List Improvements**

Stock Price Lists now store all pricing details to 4 decimal places, allowing accurate calculation of price points and discounts on small value items.

Sage 2014 (v20) - Upgrade pricing

We are offering a special software upgrade price of \$1695 + GST until the end of the year (normal price is \$1750 + GST). More details can be found on our website: www.beancounters.co.nz

New Features in Sage 50 2013 / v19

- **User Interface and Language**

Over 1,000 function / feature labels have been updated and improved to ensure users know what they're doing without the need to know accounting terminology or abbreviations.

- **Company Configuration**

A new optional process to help guide users through the setup of their software.

- **Help Centre**

New search engine providing up-to-date help topics and information.

- **Quick Tasks**

Quickly create invoices, quotes, sales and purchase orders from the product list. Just highlight the products required and right click with the mouse to create an order.

- **Simplified month end, year end and VAT return tasks**

Step-by-step guides through tasks, including confirmation when the tasks are complete.

- **Improved Reporting**

New user interface with an updated look and feel.

Excel improvements allow users to get financial information without spending hours manipulating the data.

Accurate report descriptions, previews, filters and action buttons.

The Send invoices by email option is now accessible without having to go into Report Designer.

Customised reporting function allows users to create professional looking reports to match their business.

- **Drillable Financial Reports**

Financial reports such as Profit and Loss and Balance Sheet allow drilling down (with a double click of the mouse button) into report totals. You can even view individual transactions that make up the totals.

- **Improved Stock Control**

A new screen has been added to allow you to quickly check what products are on order and what stock is held for an order. When sales orders are created and saved, you can automatically allocate stock to the order. Similarly, purchase orders can be set to on order when you save. You no longer have to remember to allocate the stock to the order as you would have in previous versions of Sage 50 Accounts

Cash sale invoices can also be posted with a single click - as soon as the invoice is saved the stock level is updated; there is now no need to run a separate update.

- **Additional Email Addresses**

Customer and Supplier records now have 3 email addresses within the main record. An additional email address is also available within each delivery address / contact details record.

- **Transaction Email performance improved**

Sage Tmail allows automatic importing of electronic orders from emails or files, and performance has been improved.

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- **Sage 50 on Steroids !**

And, if you are upgrading from v2011 or earlier, you get all the great new features of Sage 50 2012 as well.

Building up motel income

Friends told us this story about the tourists who often stay at their motel. Our friends would ask their guests if they wanted to do some washing. Then they would offer to transfer clothes to the dryer and have them ready for when the tourists returned. In addition, they would provide a map of the area and point out places of interest their guests might like to visit when they moved on. They would also suggest other places to stay.

This extra caring often led to tourists booking in again on their return journey, as well as reciprocal business from the referrals.

You might not run a motel, but there's a general business principle here. The more you give, the more you get back. Some organisations abuse this, particularly taking advantage of new business owners. Be selective.

Are you charging market rates?

Recently we heard a story of a professional man whose charge-out rate was way lower than the others in his profession. He bit his bottom lip and hiked the prices 33% in one go. He lost no customers.

He was lucky because big price hikes are generally asking for trouble. When did you last review your charges? Are you up with the market?

In this economic environment, it is often difficult to ask for more. For big customers, be extra careful. It might help if you were to ring first and make it clear the price increase is merely an adjustment to get back to where you were. Hopefully, you can get your customer to agree to the adjustment on the phone.

Non-taxable Allowances

You are not permitted to guess the amount you pay an employee as a non-taxable allowance. If an IRD inspector visits, one of the first questions is going to be how do you justify your payments? Show us the figures and paperwork. Make sure proper figures of actual expenditure have been kept so you can justify these payments.

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Best regards,
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15 January

2nd Instalment 2014
Provisional Tax
(March balance date)
GST for November 2013

20 January Quarterly FBT

Don't be tempted to help yourself to the money

Some people continue to be too laid back when it comes to administering their trusts.

When you transfer money from your trust to yourself, how does anyone know what type of payment it is?

Answer: It should be recorded in the minutes of a meeting and signed by all trustees before the money was taken. Was there such a minute? If you take money out of your trust without the approval of all trustees, you're treating the trust as though it was your own fund. Arguably, a trust might as well not exist at all.

Good ideas

Ideas are like good pens - if you don't hold onto them they get lost very easily.

Safety reminder

Companies using contractors are responsible for the contractors' health and safety.