

value your people

What value do you place on your people?



Your people are your most valuable asset. They are in constant communication with your customers, the face and the lifeblood of your business. Furthermore your people affect the bottom line - many research studies carried out

have proved the positive link between effective people management and profitability.

Building Your Team

So what are you doing to build your team? Training and coaching – both formal and informal is an essential starting point. The benefits of this cannot be underestimated both in terms of motivating your staff and improving the operation of your business. Outlining clear roles and responsibility is also hugely important - your team need to be aware of what is expected of them.

Management Development

No matter what size your business is, you must not forget about your management team. Are you connected to your team? Are they motivated to build the business? Management development involves the development of the skills and competencies of key individuals in your management team. These skills should be clearly outlined for each individual and goals and procedures set to achieve them.

To summarise, the key message I would like to impart to you is, regardless of the size your organisation, your people are fundamental to the success of your business. I hope you enjoy this issue of Business to Business.

Warm Regards,
Tadhg O'Sullivan

OSK Present on Property Tax to the IAVI

Ned Gladney recently presented to members of the Institute of Auctioneers & Valuers on the topic of Tax Planning for Property Professionals & Investors. There was a great response to this presentation with over 170 in attendance.

Among the items discussed were Property Tax Shelters, Gift/Inheritance Tax Planning, VAT on property, Capital Gains Tax and General Tax Planning.

If you would like a copy of the presentation or to meet Ned on any of the areas covered, please contact Ned on gladneyn@osk.ie.



Pictured at the IAVI presentation were (L-R) Paul Grimes, Grimes Real Estate, Linda Campbell and Ned Gladney, Directors, OSK Tax

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cash management tips

Every business needs a healthy cash flow to survive. Many small businesses don't manage their working capital and operate on a reactive basis without having reliable financial information and without careful budgeting and cash flow forecasting. A budgeted cash flow plan is essential if cash is to be properly managed and controlled.

■ Debtors

1. Make cash collection your top priority
2. Set weekly cash collection targets
3. Involve sales staff in the collection of debts
4. Resolve customer queries quickly
5. Issue regular statements
6. Check new customers with a credit rating agency
7. Ask for financial references
8. Get bank guarantees for major contracts
9. Agree all credit terms with customers, in writing, prior to commencing the project/work
10. Give conservative credit limits initially
11. Reduce credit limits if concerns arise
12. Use a debt collection agency - many operate on a no collection no fee basis
13. Don't lose the focus on cash collection – your business won't survive without it

■ Creditors

1. Prepare a budgeted cash flow forecast
2. Identify finance requirements and have these in place well in advance of any 'lean' cash months
3. Avail of the maximum credit period
4. Buy on sale or return
5. Negotiate settlement and bulk discounts
6. Finance larger creditors over short periods: use accountancy fee or insurance premium finance
7. Pay VAT and PAYE via the Revenue direct debit system
8. Make provision during the year for any balance of personal taxes due
9. If your annual turnover is less than €635,000 take advantage of the cash received basis for returning VAT on sales

■ Stocks

1. Set targeted stock levels
2. Monitor all variations
3. Identify and eliminate slow moving items
4. Rotate stock

Many small businesses don't manage their working capital and operate on a reactive basis ...

To move away from crisis cash management to successful working capital management put in place a plan that incorporates all of the above points and have sound and reliable financial reports on a monthly basis.

Among the services provided by OSK Small Business Support are, business performance reviews and management accounts, which give a real and honest assessment of the performance of your business.

B2B - sell your products & services

Are your products or services listed in our B2B Folder?

We have set up a 'Business to Business' folder for our reception area to offer our clients and contacts an opportunity to promote their products and services to other clients and contacts of OSK. This is on display for all visitors to OSK to browse.

If you wish to promote your products or services in our folder please send an A4 sheet detailing your offering to advice@osk.ie and we will be happy to list your business details.



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international financial reporting standards

Historically most companies prepare their financial statements in accordance with their own local accounting standards. This has resulted in difficulties when attempting to compare and contrast financial results from country to country.

The adoption of IFRS should lead to greater certainty and consistency of accounting interpretation by companies across the globe, which should in turn allow for more efficient allocation of capital across international borders.

Who does it apply to?:

For accounting periods commencing on or after 1st January 2005, all listed companies in the EU must present their group financial statements in accordance with international accounting standards.

The Regulation does not apply to the financial statements of:

- Unlisted companies
- The parent company accounts of a listed group
- Non group listed companies
- Companies listed on certain secondary markets

It is anticipated that IFRS will apply to all limited companies by 2007.

Management Implications:

The extent of the impact on a company will depend on its particular circumstances however that impact needs to be managed effectively.

There are a number of management implications to be considered when adopting IFRS for the first time, including:

- The application of IFRS1 - this standard prescribes the procedures when an entity adopts IFRS for the first time as the basis for preparing its general-purpose financial statements
- Alterations to financial reporting systems, manuals and instructions
- Consolidation and group reporting, together with domestic reporting policies by subsidiaries
- Finance and accounting staff need to be sufficiently trained to identify all transactions, assets and liabilities for recognition under IFRS
- External communication to investors and other stakeholders of changes in financial results and performance indicators as result of adoption of IFRS
- Identification of any potential effect on the availability of finance as an entity's gearing and liquidity ratios may change as a result of transition to IFRS
- Employee performance related contracts based on accounting information may have to be reviewed and re-negotiated to allow for the effects of IFRS

pension planning

We have enlisted the services of Independent Advisers, IFG Quigley Ltd, to offer a range of Personal and Corporate financial planning services to our clients.

Did you know a 30 year old earning €50,000 pa, who wants to retire at age 60, needs to put away €7,500 a year to have a pension of 2/3rds his final earnings? If he waits until he is 35 to start, the cost goes up to €12,000 pa and goes up to €20,000 pa if he waits a further five years*!

For a pension audit or review please contact:

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* figures based on returns of 6% pa

IFG Quigley are part of IFG Group plc and are regulated by the Irish Financial Services Regulatory Authority.

relief for interest on loans to acquire rental premises

Tax relief can be claimed for interest paid on a loan used to purchase, improve or repair a rented premises. Where one re-structures, replaces or amalgamates qualifying loans it is important to review whether interest on the new loan(s) will qualify for tax relief. Revenue clearance in advance of the restructuring, replacement or amalgamation is required in certain circumstances.



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organisation of working time act 1997

The Organisation of Working Time Act, 1997 sets out statutory rights for employees in respect of rest, maximum working time and holidays.

The main provisions of the Act cover the following:

- Rest Provisions
- Sunday Working
- Maximum Weekly Working Time
- Night Working
- Information on Working Time
- Zero Hours Practice
- Annual Leave
- Enforcement Procedures
- Prohibition on Double Employment

For example, did you know?

- Employees must receive a 15-minute break after 4.5 hours work and a 30-minute break after 6 hours work.
- Night workers are not permitted to work more than an average of 8 hours in a 24 hour period. The 8 hour limit may be averaged over 2 months.
- Employers are legally obliged to maintain records of days and total hours worked by all employees for a period of 3 years. (Organisation of Working Time (Records) (Prescribed Form and Exemptions) Regulations, 2001).
- An employer is required to retain holiday records for 3 years.

*did you
know?*

These are just some examples of the many obligations employers face under the Act.

The HR Department Ltd specialise in the provision of a service which will audit your business for employment compliance, and will make and implement recommendations rendering your business 100% compliant with all aspects of employment law.

Athletics Team

Best of luck to our fitness fanatics Alan Ward, Fiona Guckian, Keith Doyle and Nicola Fynes, the OSK Athletics team who are participating in the Business Houses Athletics Association league!

New Arrival

Congratulations to Anne Marie Donoghue and Jeff on the birth of their daughter Isobel.



OSK People

Linda Campbell
Director – OSK Tax

Specialist Area

Tax consultancy for owner managers

Favourite Author

Agatha Christie

Hobbies & Interests

Walking, renovating my house and Chelsea FC

Favourite Saying

It's not who you are that holds you back, it's who you think you're not

OSK services

OSK Audit

OSK Tax

OSK Business Advisory Services

OSK Consulting

OSK Corporate Finance

OSK Contracting

OSK Small Business Support

OSK Company Secretarial

Disclaimer

These articles provide a general guide only and specific advice should be sought before any action is taken.

OSK is authorised by the Institute of Chartered Accountants in Ireland to carry on investment business.



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