

Look for Opportunities from the Challenges



Companies and individuals will have to change the way they conduct their business if they are to come through the credit crunch unscathed.

Globally there is a serious crisis of confidence. The speed and severity of the downturn has not been seen before.

The nature of the current global downturn means that companies and individuals face major challenges.

Now is the time for business owners to think and take stock of the situation. It is time to show leadership.

On a company level you must:

- Eliminate unnecessary costs
- Eliminate inefficiencies in your process
- Avoid luxuries
- Prioritise your most profitable customers
- Manage cash and your exposure to particular customers
- Reassess financial, sales and marketing strategies

On a personal level you must change the way you think. Becoming negative and looking stressed is not showing leadership to your team.

Don't look at the world as being black and white. That is where the opportunity lies. Remember 'one man's stress is another man's challenge'.

Warm regards,
Brian Dignam

CPA Associates European Conference



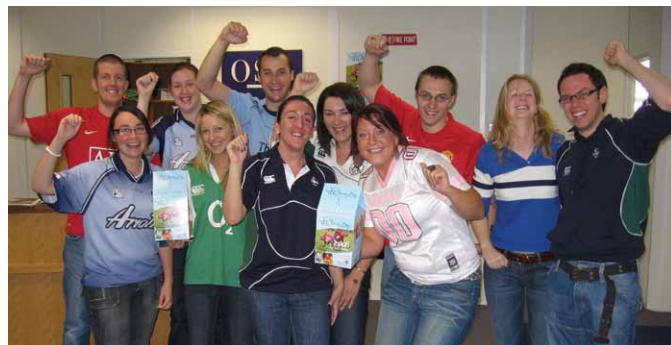
The CPA Associates International conference took place in Switzerland in September this year. OSK is the Irish representative of CPA Associates International, an international network of independent accounting firms located throughout the world. Membership of the association allows us to draw on a pool of international expertise on business and taxation issues with the benefit of broadening the service provided to our clients.



Pictured at the CPA conference were (L-R) Imelda Prendergast, Partner – OSK Small Business Support, Niall Dempsey, Director – OSK Tax and Daire Mc Dermott, Director – OSK Audit.

OSK Raise Funds for Charity

OSK participated in GOAL Jersey Day again this year, which was a great success with staff raising €600 for a very worthy charity. Pictured on the day were some of the team wearing their jerseys.



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Frequently Asked Questions Tax Deadline Approaching

Pension contributions – how much is allowable?

Contributions made to approved pension schemes are allowed in full, subject to certain limits.

The following are the percentage relief limits:

Age	% of gross income
Aged under 30	15%
Aged 30 to 39	20%
Aged 40 to 49	25%
Aged 50 to 54	30%
Aged 55 to 59	35%
Aged 60 and over	40%

The maximum gross income figure for relief purposes is €262,382 in 2007 and €275,237 in 2008.

Any unused allowances may be carried forward to subsequent years. The last date for making contributions and claiming relief is 31 October in the following tax year.

For further details, please refer to leaflet IT14 available on www.revenue.ie.

Medical expenses – how much is allowable?

Tax relief is granted for a wide range of unreimbursed medical expenses paid by the taxpayer on behalf of him/herself or on behalf of any other person. Relief is not available for any expense which may have been or will be reimbursed by your health insurer. Tax relief is available at the taxpayer's highest rate of tax and from the tax year 2007 onwards the first €125 (€250 per family) incurred is no longer disallowed.

Tax relief may be claimed in the tax year in which the payment was made or in the year in which it was incurred. Receipts do not need to be submitted with your tax claim however, receipts should be kept for all expenses incurred in the event of Revenue choosing your claim for a detailed inspection. The forms you need to make claim are Med 1 and Med 2, which can be easily downloaded from the Revenue website.

For a comprehensive listing of allowable and non-allowable expenses please refer to leaflet IT 6 available on www.revenue.ie.

Tuition fees – how much is allowable?

Tax relief may be claimed on tuition fees on certain approved undergraduate, postgraduate and foreign language and information technology courses.

From the tax year 2007 onwards an individual may claim tax relief on tuition fees paid for any person regardless of the relationship with this person.

Tax relief is not available for administration, registration, examination fees or any part of the tuition fees which are met by grants, scholarships or employers.

A full list of approved colleges and courses is available on the Revenue website (www.revenue.ie) from leaflet IT 31.

OSK Audit Going Green - Caseware Paperless Audit & Accounts Software



In September 2008 OSK took the first step in going paperless. We have implemented a new paperless audit and accounting solution called 'Caseware'.

Caseware is the UK's leading supplier of accounts production and auditing solutions to the UK top 50 accounting firms.

This will incorporate our accounts production software as well as a full document management function. Our aim is to modernise our work philosophy and increase our efficiency and productivity in all areas within our working environment.





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New VAT rules for Principal Contractors and Sub-contractors on construction services

The Finance Act 2008 introduced changes with regard to how VAT must be accounted for on certain construction services supplied by sub-contractors. The changes have taken effect from 1 September 2008.

Prior to 1 September 2008 the charge that a sub-contractor made to a principal contractor included VAT on that service. The principal paid the sub-contractor and the sub-contractor passed on the VAT to the Revenue Commissioners.

Since the 1 September 2008, VAT on "qualifying construction services" (as defined in the Relevant Contracts Tax legislation) supplied by a sub-contractor to a principal contractor must be accounted for by the principal contractor under the "reverse charge" mechanism. A sub-contractor will no longer be obliged to charge VAT to the principal contractor on the supply of qualifying construction services.

The principal contractor will tax itself on the receipt of the service as if it had supplied the service to itself, and simultaneously take a deduction (as appropriate) for the VAT it has charged to itself in the same VAT return period. Supplies of services by sub-contractors to persons who are not principal contractors will continue to include VAT in the normal way.

The new rules do not apply to the situation where a sub-contractor issues an invoice or was required to issue an invoice in accordance with VAT legislation prior to the 1 September 2008.

Where the new rules apply, the invoice, which would normally be issued by the sub-contractor must contain the statement "VAT on this supply to be accounted for by the Principal Contractor" as well as all the same information that would appear on a normal VAT invoice, except the VAT rate and the VAT amount. If both the sub-contractor and the principal contractor agree, the principal contractor may issue the invoice and provide a copy to the sub-contractor.

The Revenue has issued detailed guidelines in relation to the new rules and these can be downloaded from the Revenue's website at: www.revenue.ie

New Travel & Subsistence Rates

The travel and subsistence rates increased from 1 July 2008. The new rates are as set out below. Certain conditions must be satisfied to qualify for these allowances. Revenue information leaflets IT51 and IT54 show the full detail and are available on revenue's website: <http://www.revenue.ie/leaflets/it51.pdf> <http://www.revenue.ie/leaflets/it54.pdf>

Motor Travel Rates effective from 1 July 2008

Rates for Motor Cars			
Official Motor Travel in a Calendar Year	Up to 1,200cc	1,201cc to 1,500cc	1,501cc and Over
Up to 6,437km	52.16 cent	61.67 cent	78.76 cent
6,438km and Over	28.29 cent	31.49 cent	37.94 cent

Rates per Kilometre (1 mile = 1.609 kilometres)

Table of Domestic Subsistence Rates effective from 1 July 2008

Class of Allowances	Overnight Rates			Day Rates	
	Normal Rate	Reduced Rate	Detention Rate	10 Hours or more	5 Hours (but < 10 hrs)
A - Class	145.32	133.97	72.64	44.81	18.28
B - Class	143.58	122.81	71.82	44.81	18.28



Kate Motherway,
training consultant
Ian McClean and Partners

Leading a High Performance Team in Turbulent Times

“A manager has his eye on the bottom line while a leader has his eye on the horizon.”

During times of economic uncertainty leading your team is critical. Your team may be nervous and look to you to communicate a compelling vision of the future. It is never more important than when the pressure is on to become a High Performance Team, one where communication, challenge and goal orientation are paramount. A manager must motivate his team, lead by example and ensure that there is a heightened sense of responsibility and creativity.

The APACT model is a unique diagnostic tool designed by Ian McClean and Partners. It outlines the cornerstones of: **High Performance Teams** – showing some ways to weather the current

economic storm with your team.

Positive Culture – create an atmosphere where colleagues are supportive of each other, trust exists and every individual takes ownership and responsibility. Although financial incentives or titles may no longer be an option, be sure to acknowledge the contribution people are making in other thoughtful ways.

Acknowledgement of Others Skills – everyone is different and rather than peoples differences being a cause of conflict learn to celebrate and value these differences. Make sure that every member of your team feels appreciated let them know that they are the people that you want around in a difficult situation. Focus on your teams future potential.

Clear Common Goal – Stephen Covey famously said “Begin with the end in

mind.” It has never been so important to set stretching yet realistic goals, focus on what is really important and communicate this message clearly throughout the organisation, ensure that people can easily understand their part

Transparent Group Dynamics – a High Performance Team agrees to a set of norms or rules which govern how they work together to get the optimum results. When the pressure is on involve your team in the decision making process – how are we going to get through this tough period together?

Ambition – this is the driving force that lies behind the other factors. Challenge your team in a new direction, create a compelling vision of success, encourage people to take on new tasks or rethink current challenges in a creative way.

For information on Leadership, High Performance Teams and more visit www.ianmcclean.com

Quinn Healthcare Group Scheme for OSK Clients

We are delighted to announce that we have set up a group scheme for clients of OSK.

In addition, Quinn has agreed to waive the initial waiting period for any new member that joins under the group scheme.

For further information, please contact Aideen McGinn on 01 439 4235 or mcginna@osk.ie

OSK services

- OSK Audit
- OSK Tax
- OSK Business Advisory Services
- 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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