

## Spring is in the Air



Spring is in the air and the turn of the season gives us an opportunity to take a fresh look at our business; to create new opportunities; to change what no longer works and to focus on what is essential to us.

Spring is also a time for new beginnings, a time to seek out new ideas and opportunities for your business. Expand your horizons; attend events where you may not have previously had a presence; develop your networks; reconnect with your clients and business contacts; ask to be introduced to people you could help or who could help you; ask for work. Be visible in the marketplace. All of these positive steps will present opportunities for you and your business.

Maybe now is a time to retrain and develop new service offerings for your clients.

Don't fear change, embrace it and seek out the opportunities it brings. "To stand still is to lose, to move is to gain, to change is to grow..."

Warm regards,  
**Imelda Prendergast**

## Croke Park Seminar: Dalkia Present on Cutting Your Energy & Facilities Costs

Pat Gilroy, Managing Director, Dalkia Ltd. (and newly appointed Dublin Football Manager) outlined how businesses can achieve a reduction in their Energy & Facilities Management costs. This can be achieved through the application of a holistic approach to the management of their facilities, mechanical plant and energy.

Download of presentation is available under the OSK Resources/ news section of OSK website ([www.osk.ie](http://www.osk.ie)).



Tadhg O'Sullivan, OSK, Pat Gilroy, Dalkia Limited.



Pictured above is a selection of staff and clients at the recent Croke Park seminar.

### IN THIS ISSUE:

Merger of OSK & Kenny Cunningham and Company

Forensic Accounting

Income Levy - Frequently Asked Questions

Changing Focus - Cashflow vs Profit

Irish Pension Funds

## Advising Irish Business

## Merger of OSK & Kenny Cunningham & Company



### OSK are delighted to announce the merger with Kenny Cunningham & Company with effect from 1st November 2008.

Kenny Cunningham & Company, the Dublin based firm, has a significant audit, tax and forensic accounting practice. The firm also specialises in mediation and dispute resolution services.

There is a great synergy between OSK and Kenny Cunningham & Company that will yield tangible benefits for our clients and will allow us to build a stronger presence in key sectors.

Pictured at the announcement of the merger were Imelda Prendergast, Brian Dignam, Dylan Byrne, Tadhg O'Sullivan (OSK), David Rowe, Austin Kenny (Kenny Cunningham & Company), Jimmy Dolan (OSK), Debbie McInerney (Kenny Cunningham & Company).

#### New Staff

We are also delighted to welcome Sheldon Zhang, Deirdre Moore and Barry Murphy who have joined OSK from Kenny Cunningham & Company. We wish them all well in their career with OSK.



## OSK launch new service: Forensic Accounting

Following the merger of OSK and Kenny Cunningham & Co last November, we are delighted to add Forensic Accounting to our service offering. This service will be led by Brian Dignam, Partner, in conjunction with David Rowe. Both Brian and David have considerable experience in this field particularly in relation to employee fraud investigations and matrimonial disputes.

Forensic accountants combine the skills and services of an accountant, auditor and investigator. In an increasingly complex and litigious business and personal world, our services are frequently called upon to provide expert testimony in court and to prepare cases and resolve disputes across a range of areas. At OSK, we have the skills to provide independent and expert opinion combined

with the experience to deliver solutions that match your specific requirements. Examples of cases where we have considerable experience include:

- Matrimonial Settlements & Disputes
- Personal Injury - Loss of Earnings
- Business & Employee Fraud Investigations
- Business Interruptions & Economic Losses
- Professional Negligence



**David Rowe**  
Director, OSK Audit  
T: 01 439 4219  
E: rowed@osk.ie

## Income Levy - Frequently Asked Questions

### What is the income levy?

The income levy, which came into effect on 1 January 2009, is a levy payable on gross income before any relief for any capital allowances, losses or pension contributions.

### Who is liable for the income levy?

All individuals are liable to pay the income levy if their gross income exceeds the threshold of €18,304 p.a., or if they exceed the income exemption limit of €20,000p.a. for an individual aged 65 or over.

### Is the pension deducted from the gross income before the income tax levy is applied?

No, the levy is payable on gross income before any relief for pension contributions is deducted.

### About OSK Payroll

OSK provide a fully managed, confidential payroll service run by a dedicated team of payroll specialists to ensure that your payroll is run accurately and that your employees are paid on time.

We can provide this service to companies' with 1 employee to 500 employees.

This competitive service removes the administrative burden of payroll away from our clients and the efficient service means that the payroll will run smoothly regardless of payroll or staffing changes throughout the year.



**Sandra Walsh**  
Senior Account Executive, OSK Payroll  
T: 01 439 4252  
E: walshs@osk.ie



**Ray Masterson**  
Director, OSK Audit  
T: 01 439 4243  
E: mastersonr@osk.ie

## Changing Focus - Cashflow vs Profit

**Over the past year we have seen a remarkable shift in client focus in relation to the key areas of running their businesses. In times past, the cash position of many businesses has not been prioritised by clients.**

The critical issue in the short term is the ability of the business to conserve and control cash, and management needs to be relentless in its pursuit of this objective.

We would suggest some critical areas which should be considered in order to ensure your business stays afloat during these challenging times.

### Cash Budget

- Regular review and monitoring of short term cash requirements for example on a day/weekly basis.
- Long term capital investment budget - investigate the possibility of releasing cash via the sale of non-core assets or cutting back on non essential capital items.
- In the absence of internal financial expertise in these areas it would be beneficial to obtain assistance from your accountant in order to implement these measures.

### Costs

Overheads should be fully analysed and decisions made. These costs are necessary for the success of the business.

Discussions should take place with individual suppliers regarding rates charged and credit terms.

### Review of Actual Performance against Budget

Monitoring actual cash flow against budgeted cashflow projections is extremely important and is an area in which many businesses fall short. If variances against forecast are not investigated this constrains the effectiveness of the forecasting process and limits managements understanding of the nature and impact of cashflows within their business.

### Credit Rating of Customers

Before taking on new customers, perform a background check on their credit worthiness. Enforce a strict adherence to credit terms with existing customers by chasing payments.

### Interest Rates

The interest rate environment is becoming progressively favourable and the cost of business finance should be actively managed to minimise interest outflows.

### Summary

In order for the above measures to work, all departments throughout the organisation need to appreciate the importance of prompt collection of debts and the strict control of costs. This message needs to be communicated as clearly and frequently as possible as it is critical to the future of businesses operating in the current environment.



## Promotions

**Congratulations to Ray Masterson who was promoted to Director - OSK Audit and to Aine Mulligan who was promoted to Assistant Manager - OSK Audit.**

## Upgrading Your Company Fleet?

With effect from 1st January 2009, benefit in kind on new cars provided to employees will be calculated as a percentage of the original market value of the car based on its CO<sub>2</sub> emissions level. The CO<sub>2</sub> emission levels are categorised in the same manner as for Vehicle Registration Tax.

Cars in the lowest three categories of CO<sub>2</sub> emissions will be assessed to benefit in kind at the current level whilst cars in the higher CO<sub>2</sub> emissions categories may face up to a forty percent increase.

Capital allowances for business cars are also being determined by which class of CO<sub>2</sub> emission levels they fall in to. The most energy-efficient classes, A,B and C, will qualify for capital allowances based on their cost subject to a maximum of €24,000, classes D and E will reduce capital allowances by fifty per cent, whilst no capital allowances will be available for cars falling into categories F or G.



**Niall Dempsey**  
Director, OSK Tax  
T: 01 439 4232  
E: dempsey@osk.ie

# Irish Pension Funds: The Worst Performing Pensions in the World



## Yes IT IS True

The average investment return for managed funds in 2008 was -30%

## How did it happen?

There are plenty of reasons in a time that will be remembered for some of the following:

Subprime Mortgages, Credit Crisis, Recapitalisation, Lehman's, Anglo Irish, Standard & Poor's, Ben Bernanke, Bernard Madoff, Alan Stanford

It is not all bad news... Interest rates are falling, Inflation is falling

Pension investment is still a viable long term investment when tailored to your personal circumstances and the prevailing economic conditions.

There are options available, for example, you may switch to a cash fund. This fund invests in exchequer bills & other short-dated cash instruments, providing modest returns in exchange for capital security. In the short term this will suit those who are risk averse or if close to retirement it will help protect the current value.

## Solution :

BHP can access to cash fund with a special reduced annual management charge (AMC) of 0.25%.

## Criteria:

- This offer will apply to all existing current fund values & any new contributions made to any pension plan.

- Business must be submitted during March 2009 this must include all relevant papers & payment.
- The reduced AMC will apply to the end of 2009.

For further information or Life & Pensions advice please contact:

Liam Kennedy  
01-6202030  
lkennedy@bhpinsurance.ie

BHP is regulated by the Financial Regulator.



## Exam Success

Well done to Edel Wynne, James Devine and Declan Moore who recently passed their Final Admitting Exams with the Institute of Chartered Accountants.

## New Faces

A big welcome to the trainee accountants who joined OSK in recent months - Christine O'Donoghue, David Molloy, Jennifer Grainger, Jessica Kidd, Mark Molloy, Matthew Farrell and Joanne Flanagan. Welcome also to William McCarthy who joined the payroll team.



## 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.



OSK,  
East Point Plaza,  
East Point,  
Dublin 3.

t: 01 439 4200 f: 01 439 4299  
e: advice@osk.ie w: www.osk.ie