

Teamwork: identifying the strengths of your team



In the previous edition of the newsletter I spoke about the value you place on your people. Collectively your people form teams within your organisation

and it is through successful teamwork that your organisation prospers.

It's important to note that a group of people in itself is not a team - rather, a team is group of people who co-operate closely to achieve team and organisation goals.

The benefits of teamwork are endless - it saves money, increases productivity, improves communication, makes better use of resources and also results in higher-quality decision making.

The diversity of style within a team must be recognised. The team has a broad spectrum of team-player types including members who focus on attention to detail, goal focused members, communicators and those who challenge.

In order to combine these diverse types successfully and maximise contribution to overall team performance, the individual strengths of team players must be promoted and less developed areas of their skill sets improved through training and development.

Team leaders should recognise and provide for this diversity when seeking to maximise employee performance.

Warm Regards,
Tadhg O'Sullivan

OSK Deliver DCU Prize

OSK have a strong relationship with DCU having recruited many Accounting & Finance graduates from the college over the past number of years.

OSK sponsor a prize awarded on the BAAF degree course each year. As part of the financial accounting module in AF2, students are organised into groups of four and complete a financial accounting project in the first semester. This project consists of preparing a set of financial statements and other elements of an annual report. The first two groups awarded the highest mark in this project by the examiner are awarded the OSK prize.



Pictured at the recent presentation were Donnacha Howard, prize winner, Eileen Townsend, Chairperson, B.A in Accounting and Finance Programme Board, Elaine Kelly, Sile Casserly and Denis Whelan, prize winners



Professor Bernard Pierce, DCU, Michael Murphy, Marion Grogan, Josephine McNulty, Gillian Rush, prize winners and Tadhg O'Sullivan

IN THIS ISSUE:

[OSK Deliver DCU prize](#)

[B.I.K. - Your Questions Answered](#)

[Audit Exemption](#)

[\(SSAPS\) Small Self Administered Pension Schemes](#)



Linda Campbell
OSK Tax
t: 01 439 4231
e: Campbell@osk.ie

B.I.K. Your Questions Answered

For the past 18 months or so employers have been obligated to apply PAYE and PRSI to benefits in kind provided to directors and employees. The following are some of the more frequently asked questions regarding the operation of the "new" system.

- A company car is provided and at the start of the tax year the business mileage is estimated. Do I need to make an adjustment to this during the year?

Before the end of the tax year the estimated figure should be compared to the actual business mileage to that date. Any adjustment to the cumulative notional pay charged to date should be included in the remaining pay period(s).

- What is a van for the purposes of BIK?

A van means a vehicle which was designed or constructed solely or mainly for the carriage of goods and which has a roofed area to the rear of the driver's seat and no seats or side windows in that area. Adapting a vehicle by say, taking out the back seats, does not change that vehicle from being a car to a van.

- What is the position where an employee is provided with vouchers at Christmas?

Where an employer provides a one-off benefit to an employee in a tax year and the benefit is in non-cash form and is no more than €250 PAYE and PRSI need not be applied to that benefit. Where a benefit exceeds €250 the full amount is taxable. If an employer provides small benefits on an on-going basis, say €25 voucher every so often, the first voucher is not taxable but all subsequent vouchers are taxable as BIK.

- An employee with a company car pays for the private fuel. Does this reduce the taxable benefit?

The employee must pay an amount directly to the employer to allow the taxable benefit to be reduced by that amount.

SSIA- are you maximising your monthly instalments?

As most of you are aware, the Government Special Savings Investment Accounts (SSIA's) will start to mature next year. While it's too late to start an SSIA, if you are not currently contributing the maximum instalment of €254, why not increase your final return by maximising your monthly instalment now?

■ New Faces



Orla Nolan



Jean Higgins



Paula Loughney

We are delighted to welcome recent joiners to our team - Orla Nolan joins as bookkeeper, working with our Financial Controller Orla Ruane, Jean Higgins joins the Small Business Support team as a bookkeeper and Paula Loughney joins the Tax department as a Tax Trainee.



Deirdre Mc Dermott
OSK Audit
t: 01 439 4360
e: mcdermottd@osk.ie

To Audit or not to audit ? - new exemption rules

The audit exemption for small companies was introduced in the Companies (Amendment) No 2 Act 1999. The Companies Acts 2003 raised the turnover threshold from €317,435 to €1.5 million (for periods beginning on or after 1/7/04).

The company must satisfy a number of additional criteria for two consecutive years. The total assets must be less than €1,904,607, their annual returns must be filed on time and they must have less than 50 staff. Certain companies are not eligible to apply for the exemption e.g. public, group and other regulated companies.

Issues to be considered

- In reality, the choice whether or not to audit will not be entirely unencumbered – the reaction of lenders and other financial institutions will play a significant part in the final decision;
- If you are likely to be seeking additional finance your bank will request audited accounts as a source of assurance on the financial wellbeing of the company. The audit improves the credibility and the quality of the financial information;
- If you are thinking of selling the business, or if you are looking for investors, a history of audited accounts will be invaluable to any potential buyers/investors;
- If you have sufficient day to day control of the business this may obviate the need for an independent audit;
- An audit helps to protect against fraud;
- The audit provides assurance for the board of directors that the systems are sound and that there are no material errors and/or misstatement in the accounts;
- The audit provides comfort for other stakeholders, be they shareholders, customers, suppliers and employees that the company's accounts show a true and fair view;
- The audit promotes and helps maintain confidence in the integrity and honesty of the business and may help maintain your credit ratings. Some suppliers require audited financial statements before providing a trade credit facility.

Benefit of Audit Exemption

Companies with a consistently low turnover that are self-financing and are closely managed by the shareholders would benefit from the audit exemption. The directors will, however, still be required to file an annual return with the Companies' Office together with annual accounts. A professional accountant will prepare the accounts including an accountants report rather than an audit report. The main difference between the two reports is that the accountants report gives no assurance as to whether the accounts show a true and fair view.

The statutory audit provides valuable assurances to users of company accounts but nonetheless small companies will benefit from having the choice.

Exam Success !



Anne O'Dwyer



Keith Doyle

Congratulations to Anne O'Dwyer and Keith Doyle who have successfully passed their examinations for their Diploma in International Reporting Standards, which they did through the Institute of Chartered Accountants in Ireland.

(SSAPS)

Small Self Administered Pension Schemes

A SSAPS is a company sponsored pension scheme suitable for directors of companies and other employees looking to accumulate significant assets in a tax efficient manner.

Those successful in business have been reluctant in the past to commit a significant level to a pension plan. There were a number of reasons for this including:

- The requirement to buy an annuity on reaching retirement age, coupled with the loss of capital on death.
- Restricted Investment Options.
- A perceived lack of control.

SSAPSs give the opportunity for individuals to invest directly in assets such as property and equities. All gains from these investments within the fund are tax-free.

Benefits of an SSAPS include

- Transfers by the company to the SSAPS are tax deductible to the company.
- The individual is not liable to tax in respect of these transfers.
- All capital gains generated by the SSAPS are tax-exempt.
- All income received by the SSAPS is tax exempt.

If you are a director with a minimum of 5% of the shareholding or voting rights, when you retire you can take up to 25% of the fund tax-free and move the balance to a further tax-exempt fund.

So how do I go about setting up my own SSAPS?

A SSAPS is a Revenue approved scheme and IFG would submit the trust deed and rules together with other documentation required.

Once Revenue approval is received a Trust bank account and stockbroking account are set up.

The Minister for Finance Charlie McCreevy in the Finance Act 2004 included a provision that pension schemes could borrow for investment.

This is under review and we are awaiting specific guidelines, which should allow gearing but on terms as yet determined.

If you would like further information on SSAPS please Contact Joe O Callaghan on joe.ocallaghan@ifg.ie, telephone 01-2752970



OSK People

Keva Martin
Head Receptionist

Most Recent Book

Fatwa - Living with a Death Threat by
Jacky Trevane

Favourite Author

Patricia Scanlan

Hobbies & Interests

Interior Decor, Walking

Last Holiday... Orlando

Favourite Saying

Advice is what we ask for when we already know the answer but wish we didn't...

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.

OSK Accountants and
Business Consultants,

East Point Plaza,
East Point,
Dublin 3.

t: 01 439 4200 f: 01 439 4299

e: advice@osk.ie w: www.osk.ie