



August 2001



Brian moves on to our long established client TNT at the end of August. He has been with Newmarket for 10 years and a partner for four. During that time he has added a new dimension to our business through developing an IT service aimed at the needs of the SME sector.

JUSTYNE FLOWERS— E-STRATEGY

By Martin O’Gara, Managing Director

Our original business strategy was to be unique in our industry. Back in the late 70’s we acquired premises in high-cost, high profile and high-footfall locations, and invested heavily in their “look and feel”. This paid-off - we are still the only florists in Ireland who can claim to be the Interflora Florist of the Year in the UK.

We soon realised, however, that not all customers would be of the “walk-in” variety. This led us to develop excellent telephone skills, techniques that attract customers to that portal and software to record customer activity. Another small fortune was spent on advertising and direct marketing.

He leaves this part of the business in the good hands of Gavin Elliffe and Brendan Sheehan. Both Brendan and Gavin have grown their skills under Brian’s guidance.

See Brian’s reflections on his 10 years on the back page

We will be working closely with them but it is a measure of our confidence in them that we are bringing forward our plans for them in that they will be taking up Directorships in our IT company, Newmarket Partnership Ltd.

Then in the late 80’s we began to recognise the growth of computer ownership. At the same point that our premises and people costs become a serious burden, - a new strategy evolved. Firstly, we had to acknowledge that more than 55% of our turnover no longer came through the door, despite our locations.



This led to us acquiring premises in Sandyford Industrial Estate where we centralised our “order production”, administration and, our telephone answering.

We have used this opportunity to strengthen our management team.

We’re sure you will join us in wishing Brian all the best in his new position as Finance director. No doubt in his new role our clients in the transport industry will meet him from time to time. If he makes half the contribution in TNT as he has made to our business he will be a tremendous asset.

On a personal level we will miss his friendship, enthusiasm and energy. Good Luck Brian in your new role from all at Newmarket.

Gerry & Lorcan

We invested in 1800 telephone numbers and, critically, an Internet site. Luckily, I had a personal interest in the technology and in the early 90’s I registered www.flowers.ie and the site has grown hugely. We have since purchased an EPOS system and accounting software to manage our “corporate account” customers and installed systems to control resources and wastage.

Our first step in this process was to invest in the advice of Newmarket Partnership. In line with this thinking, three retail outlets have been relinquished while focussing on e-commerce development, and I’m pleased to say that our group turnover has seen strong growth.

Our internet site in the future will ideally link to both our EPOS and the accounts software. We are partners in the SuperClub loyalty scheme, and are trading partners on-line with Esat, through its WAP service.

**THE EASTERN
REGIONAL HEALTH
AUTHORITY**

From January this year Newmarket Partnership commenced a project in the Eastern Regional Health Authority that was to prove at time intense, stressful, but overall, successful and a good learning curve for future similar projects.

The ERHA, which was established on the 1st March 2000, is the statutory body with responsibility for health and personal social services for the 1.3 million people who live in Dublin, Kildare and Wicklow.

It's responsibilities include the strategic planning of services, commissioning of services and funding of services through service agreements with the three Area Health Boards, the voluntary hospitals and other voluntary agencies in the region. The ERHA is also charged with monitoring and evaluating the services provided by these agencies.

The project came about from a successful tender by Newmarket Partnership. The project was to assist in the preparation of the final accounts with Newmarket Partnership exclusively responsible for the fixed assets and stock sections of the final accounts working closely with ERHA staff.

Our work was carried out in the offices of the finance department of the ERHA in Dr Steevens Hospital. It involved quite a number of our staff through a long period of time that started on January 3rd 2001 and ended in

April 2001. Through a great team effort we managed to get it completed and very successfully so.

The ERHA accounts were not your normal, run of the mill job that you cross upon while working with Newmarket Partnership, not alone from the sheer mass of work that was involved but the way we went about managing the job and how all our work came together to the produce the final product.

Editors Note – Well done Gary, Judy, Andrew and all of the team. As a result of a thoroughly professional job Newmarket has had a continuing role in more projects at ERHA

**COMPANY LAW
ENFORCEMENT BILL
2000**

The new Company Law Enforcement Bill 2000 will be enacted very shortly. It now contains over 111 sections of new law that will bring about profound changes for all company directors and practitioners alike. The new law introduces a Director of Corporate Enforcement who will be solely responsible for all aspects of Company Law. This will include close monitoring of late returns and ensuring companies are keeping proper books of accounts.

Each and Every director could be liable for fines up to £3000 each.

The new Bill will introduce a new filing date through the use of an Annual Return Date (ARD). The

ARD will be automatically issued to companies and will be the date of the last annual return filed, e.g. last accounts year end was 31/12/00 and last return filed was 30/06/01, this means the 30/6 will be this company's ARD from now on. Accounts must be filed with the Companies Office within 28 days of this date. If accounts are not filed by this date an automatic penalty of 250 Euro will apply and other on the spot fines at the discretion of the Director of Corporate Enforcement. Companies in arrears for just one year can now be struck off, listed and dissolved from the register within ten weeks.

Companies have three opportunities to extend the ARD up to a maximum of nine months after the year-end (e.g. year end 28/02 maximum ARD 30/11). The three options are:

- 1 Within 12 months of introduction of legislation
- 2 Change every five years
- 3 By applying to the High Court

The new Bill will introduce a switch to prosecuting Company Directors rather than the Company in the District Court. This is known as Section 383 "Officer in default". Company Directors will be in a very vulnerable position if they receive a Summons, as there are few, if any defenses to answer. Each and every director could be liable for fines up to £3000 each.

The above is a general overview of the changes that will apply, with a lot more issues coming into play once the law is enacted. Until the new law becomes legislation the above mentioned issues may change.



PARACHUTE JUMP

It was with great trepidation that we headed for Rathangan on 16th September psyched up to place all our faith in total strangers and leap in pairs from 3000ft (solo) / 9000ft (tandem).

The day was mild but over-cast with low cloud. A weather forecast which would normally go un-heeded unless you have just braced yourself to free-fall from 9000ft. Cloud can be as low as 3000ft for solo jumpers but has to be at least as high as 6000ft for the tandems.

After rising at 6.30am and spending a long 12 hours waiting for the promised "hole in the cloud", only the solo jumpers got to complete their jumps. **Brian Gallagher** and **Kieron Moorehouse** were the courageous two who opted to go-it-alone and successfully completed their solo jumps. The rest of the group was re-scheduled to jump on 28th October only to encounter another meteorological disaster of gale-force winds. The good news is that we raised £2000 in aid of the Cystic Fibrosis Association – a very big **Thank You** to all those who contributed. The new jump date is set for Sunday 26th August. Watch this space.....

TAXING THE INDIVIDUAL

There has been a process over the last two budgets of taxing married couples as individuals. This is a significant move in that two people working will pay less tax than a single earner with a salary equal to the two people. In many cases companies run by a married couple have traditionally paid just one salary out of convenience. This will now cost you in tax. If this is your situation make sure that each of you has a salary of at least £20,000.

FAREWELL Sandra and Bronwyn; HELLO to Luke & Suzy....

Sandra, our Manager for the past 18 months has left us for her only true love, John, a Garda based in Kilkenny. Her new job is in Price Waterhouse Coopers in Waterford. Bronwyn on the other hand has moved for excitement. She is now the P.A. to the Finance Director of Elan Corporation. Best wishes to them.

Luke Dempsey joins us as Practice Manager having spent over 15 years in industry. A qualified accountant and a holder of an MBA we look to Luke adding valuable experience to our clients and our staff.

Suzy joins us from Australia as a replacement for Bronwyn. Many of you have already talked to her and made her feel welcome. She thinks you are nice lot too....

BACON BITES



Some of the less tasty morsels of the Bacon Three proposals were rowed back in the final passing of the Finance Act.

However for investors buying second hand residential property there is still a flat rate Stamp Duty of 9%. New investment property however has been reduced to rates ranging from 3% to 9%.

The effect on house building has been substantial with new housing starts down by over 15%. Though the government aim was to reduce investor interest in the market rather than reduce the level of house building the Bacon measures have had an effect. This may lead to the policy being further relaxed in the coming budget.

EUROTRAIN AT THE STATION.....



Not long now to wait for our new notes and coins. By the 9th February 2002 our Irish coins will no longer be accepted and all our accounts will be in euro.

For businesses not involved in cash or retail trading the changeover is relatively straightforward as most accounting packages have working Euro versions. However some have more cumbersome procedures than others.

We at Newmarket have prepared a simplified checklist to help you address this problem for the first time. Although not comprehensive its aim is to ensure that the critical areas are covered. This will be sent out in the next few weeks to all clients.

We also have a project team set up to deal with this issue headed by Brendan Sheehan. If you need help with the changeover give Brendan a call, 01 453 5000.

The team will be under pressure right up to January. We will of course look after your needs if you book with us by the end of September.



Every effort has been made to ensure the accuracy of the information in this newsletter. However before acting professional advice should be sought as Newmarket Partnership will not accept any liability for any loss arising from information contained in this newsletter

BRIAN'S PACKING SOME TNT.....

Brian is leaving Newmarket Partnership to join TNT as Finance Director. Having been with Newmarket Partnership for nearly 10 years Brian says "the opportunity to be more hands on in developing a logistics business was impossible to resist".

When I started with Newmarket in 1991 I had just qualified as an Accountant. Prior to that I had worked in the building & IT sector in finance. Having qualified I approached Newmarket and agreed to join as a financial consultant working to help existing clients develop their reporting systems. This quickly led me to deep involvement with IT systems and, with the support of the practice, I undertook a post graduate diploma in IT at Dublin City University.

Over the next five years the practice developed a considerable niche in IT to the stage that it offers a unique service for a practice of its size. Today we have two fully qualified full time IT professionals offering services as varied as installing high end ERP systems, customized database solutions, Web site creation, customer relationship management (CRM) system installation, as well as working closely with Sage through their Accountants Club network. Indeed all staff at Newmarket undertake training in the Sage Line 50 package leading to a Certificate of Competence.

With the development of the Web we believe the future for SME's is in outsourcing more of their accounting requirements.

Already many large companies have created structures to outsource their entire computer software and IT management and these solutions will increasingly become cost effective for as technology becomes more stable, proven and priced to suit the pocket of the SME sector. As I leave Newmarket these opportunities are being developed and I look forward to seeing these implemented.

Newmarket has always taken a hands on role with its clients through getting involved directly in problem solving. I have always enjoyed this approach. Reflecting on the last ten years there are probably five common threads in the successful SME business.

PLANNING: Business needs are constantly developing and therefore businesses must be able to change to meet these new requirements. Indeed one of the hardest things we have to do in Newmarket is to get clients to see the need for change and commit to the pain of change.

INFORMATION: Measuring your performance with regular, accurate and timely management information is critical. When TNT bought one of our clients a few years back they insisted on not only monthly reports within days of the month end but weekly Profit and Loss accounts! This allowed management to be in direct touch with the business costs as it grew.

CASHFLOW: leading on from management information, cash flow management, in the end, comes down to delivering your promise. When the promise is broken the business is damaged with suppliers, staff, bankers and everyone else.

COMMUNICATION: Informing your customers, suppliers & staff of your plans and how your are doing enables you to manage change more effectively. This includes the good & bad news. You have to consider that the relationships are long term.

DECISION MAKERS: You need to show leadership to all of the people who depend on you. You need their support to ensure the business fulfils its potential. In general most decisions, given the right information are clear-cut.

One of the most rewarding things I have been involved with in Newmarket has been the opportunity to develop a leading edge business and the people to deliver the service. Gavin Elliffe who qualified as an accountant with Newmarket has just completed a postgraduate IT diploma and is starting his masters in September. Brendan Sheehan is a qualified database programmer and Web site developer. These guys are ready and able to develop the business further and with the experience and guidance of both Lorcan and Gerry I feel that I will be able to look back in a few years time and see that the business has grown to the levels to which we have planned for.

Finally I will miss all the close relationships I have developed with the clients of Newmarket. If the challenges ahead are as rewarding and the people I meet are as good as the clients of Newmarket then I will consider I have been a very lucky person. Best wishes to you all in the future.