

Summer 2001 issue

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FRIENDLY REMINDER

As we mentioned in the last issue, it's very important that you have prepared a Will to ensure that your wishes are carried out with minimum expense and delay. Once you have prepared a Will, it should be reviewed every three years. Circumstances change so you want to make sure that all new assets have been included and the ones you have disposed of are omitted. You also want to make sure that Williams & Partners has reviewed your Will to ensure that income taxes and provincial probate fees are minimized.

New Horizons

It is with mixed feelings that we announce the retirement of our partner and one of the founders of the firm, Mr. C.W. (Bill) Williams on July 1, 2001. Although Bill will be dearly missed here, we are extremely happy (some of us are even a little jealous) that he is entering into a new phase in his life.

Bill has had the good fortune of leading an exciting career. After successfully earning his CA designation in 1960, he spent three years in industry. Bill found his interests lay in a more specialized field of accounting and he began practicing as a Forensic Accountant in 1965.

Over the years, Bill became known as an authority in Forensic Accounting and was called on numerous occasions to testify as an expert witness. In support of the Forensic Accounting field, he passed on his knowledge as an instructor in Business Interruption at

both Seneca College and George Brown College. He also conducted seminars for his peers on issues involving income loss and income measurement.



Bill continued practicing Forensic Accounting when Williams & Partners was founded in 1991, being a driving force behind the growth of that part of our business. In 2000, Bill received the much-deserved recognition of being a Specialist in Forensic and Investigative Accounting when he earned the highly respected CA•IFA designation.

Bill's experience and wealth of knowledge have been a great asset to Williams & Partners. His professionalism and positive attitude have been a source of inspiration to all members of our firm. Bill's friendship and camaraderie will be missed. He has always and will always leave us with a smile.

The place will not be the same without him.

Planning Ahead

April is over and the dust has cleared. We have once again survived tax season. Most of us have had varying degrees of Tax Season Rigor Mortis, but have now recovered.

Every year, in May, we reflect back on how successful tax season has been. Our major focus for improvement is always "how can we improve the way we serve our clients by adding value in the preparation of their tax return?"

This year, we have again concluded, that now is the time to start tax planning for 2001. We want

you to start thinking about filing your tax return for 2001. Some questions you might want to ask yourself:

- Am I planning to retire this year or within the next five years? Let us look at your retirement and estate planning needs now in order to create, protect and maximize your family's wealth.
- Am I planning to dispose of a capital asset for a gain? Let us see what we can do to minimize the taxes you'll have to pay.
- Am I planning on splitting income? Let us explain the new rules that have come into

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Working Backwards Takes You Forwards...Huh?

Most people work the wrong way when it comes to the future of their business. They start from where they are now and think about what needs to happen to move the business forward. Yet, doing just the opposite can be so much more effective.

When you think about what needs to happen to move forward from where you are today it's easy to see all the work you'll have to do and all the reasons why that's seemingly impossible to achieve. You're consumed with the now – the fact that you just worked 14 hours, the cash flow crisis coming up on Friday, the family dinner waiting at home and more. Very often thinking about how to solve our problems is the least of our worries – we're too busy **IN** our problems to really see and understand how to move forward. Sometimes we just don't know what the next step should be. Our current experience – hard work and a lack of resources – clouds our vision.

For many, your dreams for your business are "out there" – a long way into the future. Often you'll hear people say "we'll get there if we can just hold out until such and such happens." Holding out is not what's going to help you and your team achieve your goals and dreams. Starting with the "end in mind" will.

Think about it from the other direction – starting with the end in your mind's eye. Imagine you were already there. Consider what your business would be like if you were already at the point where you had achieved your goals. Think about how you'd like your business to be in 2 years time and jot down your approximate answers to the questions below in the order they appear:

1. What personal annual NET income would you like to be enjoying by then? _____
2. What profits would your business need to be generating to give you that level of income? _____
3. What gross revenues would your business need to be generating to give you that level of profit?

4. How many hours per week would you like to be working, if any? _____
5. How many team members would you need (not counting yourself) to deliver on those revenues? _____
6. What equipment would you need to be able to deliver on those revenues? _____
7. Where physically would your business need to be – in its current location or with expanded premises and locations?

Can you see how you took the ultimate goal in this instance – your personal income by a certain time – and worked back from there? If you keep working back you will end up knowing almost exactly what you need to do to actually make those dreams a reality!

You'd know what happened just before you reached that point and the point just before that, and then before that and then before that and so on. Suddenly you've created a path from "out there" back to here – a path you can follow backwards rather than forwards! It's called creating your "Critical Path". Use it to break down the process of creating a valuable business into little pieces from the very last step of handing the key over to the new owner to the first of mapping out how the job will work best. You can use it to step out of the day to day and achieve your goals for your business and your future.

Williams & Partners can help you make your dreams a reality. Our Business Development Division has the tools to help your business achieve its full potential. Please call Patti Bannon to find out more about how we can help you.

CORPORATION CHEQUE SIGNING

The Bills of Exchange Act is unclear as to the definition of a signature, in particular on company cheques. Individuals who sign cheques on behalf of a corporation **MAY** be held personally liable for the amount of the cheque if the word "per" or "by" does not precede the signature.

It is strongly recommended that the word "per" precede the signature, and that the signer's title within the company also be noted, for all corporations, although there is no reason why this practice should not be followed for all entities (i.e. sole proprietorships, partnerships, etc.). For pre-printed cheques, the word "per" should be pre-printed, or can be manually added prior to the signature.

ONTARIO EMPLOYMENT STANDARDS ACT ("ESA") UPDATE

Hours of Work The ESA states you can require employees to work 8 hours per day and 48 hours per week. Overtime starts after working 44 hours per week.

Meals & Breaks For every 5 hours worked you provide your employees with an unpaid 1/2 hour meal break. Other breaks are not covered by the ESA.

Vacation Time & Pay An employee must work 12 full months for an annual 2 week vacation. Vacation pay is 4% of wages earned during that 12 month period. If an employee is terminated, quits or retires, they are still entitled to vacation pay.

Statutory Holidays Employers are required to pay employees for the following statutory holidays:

<i>New Years Day</i>	<i>Good Friday</i>	<i>Victoria Day</i>	<i>Canada Day</i>
<i>Labour Day</i>	<i>Thanksgiving Day</i>	<i>Christmas Day</i>	<i>Boxing Day</i>

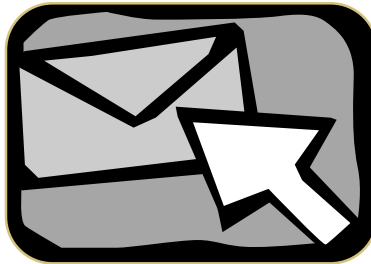
Note that the first Monday in August is not a statutory holiday, however most employers treat it as such. There are requirements in order to receive compensation for these statutory holidays.

Make the Most of Your Email

On a daily basis we are swamped by email messages. Some are important for us to perform our jobs. Some are uninvited and unwanted, which costs us time and money. Here are a few tips on how to maximize the efficiency of your email system while using proper email etiquette.

When receiving a significant number of emails, you can set "delivery rules" within your Inbox. This will allow you to sort your email by priority. The delivery rules can be determined based on email address, subject and words within the message. You can, for example, eliminate almost 100% of junk email by using a simple set of rules. Junk email, usually recognized by such phrases as "incredible", "free", "you have been chosen", "unbelievable", "lifetime opportunity", can be automatically directed to your junk mail folder. You can set this junk mail folder to be automatically emptied upon exit from the email program.

If using Microsoft Outlook, you can create a vCard (virtual business card) from your incoming email by dragging and



dropping the email message to the Contact folder. Outlook will automatically create a new business contact based on the information provided by the sender, saving you time in entering the data manually. The sender's name and email address fields will update automatically. You can do the same using Tasks and Calendar. Dropping the received message will create a related task or appointment without re-typing the information.

Think short. Limit the message to no more than 2-3 paragraphs, 8-10 sentences in total, preferably shorter. This makes it easier on the reader's eyes and his/her time. Keep it simple. Try not to use any kind of stationary, as it makes the message size much larger than simple text. When sending a message to a large group of people, especially from outside your office, hide the recipient list by using the "bcc" (blind carbon copy) feature. Some of the people on your mailing list will not like their email address exposed to others. It also reduces the message size.

Following these few simple suggestions will save you both time and money. It will also make reading your email a lot less frustrating.

Going to the Bank

No matter who you are or what your business is, it always seems to create an uneasy feeling when you have to ask the bank for a line of credit or an increase to an existing line. Nobody likes rejection. To ensure your success, it's important to carefully prepare the information that impacts the bank's decision making process.

Banks loan money to individuals or businesses on the basis of collateral, cash flow and capital. Ideally, you want to demonstrate to your bank that you have reasonable assets to secure the loan such as accounts receivable, inventory or unencumbered capital assets. You also want to convince the bank that you have the ability to repay these loans on a timely basis.

Loan applications for smaller amounts (\$50,000 or less) will likely be supported by the strength of the credit rating of the shareholder(s) or owners of the business. The bank will probably ask that the loan be personally guaranteed in its entirety and will ensure the loan is for a reasonable business purpose. A simplistic cash flow/business plan will be all that is required to support these applications. These are good yardsticks for the bank to measure your knowledge of your business and your ability to properly plan and predict outcomes based on planned events.

When an established business or a new business idea calls for borrowing larger amounts, the banks generally ask for a complete business plan. The purpose of the plan is to provide a basis for a business decision based on certain events. More importantly, once accepted, it becomes a tool for the bank to

monitor the success of the plan as the business decision unfolds. This makes the decision making process for the bank easier. Once the account manager has obtained approval for the loan, it gives them a constant yardstick to measure the ongoing success of the loan on a monthly basis. If the actual results vary materially from the plan, both the borrower and the bank have a tool to determine why and take corrective action before a significant problem occurs and the underlying collateral support begins to erode.

Most banks operate similar to other businesses in that they have "sales" people who obtain new business and attempt to sell it to their credit department. There are also "account managers" who manage the day-to-day relationship with the customer. This is not always the same person. Sales people are, after all, sales people and if the application is successful you will then have to live with your plan, however aggressive it may be, through your relationship with your account manager.

The team at Williams & Partners can help you prepare a business plan for presentation to a bank. We have experience in dealing with lending institutions and recognize what they would like to see included in a business plan. If you are one of our clients and we have not talked to you about a plan for your business, we will be talking soon!!

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effect and take a look at your situation to see how you can benefit.

- Do I have tax shelters or the opportunity to invest in a tax shelter? Let us explain how this will affect your current and future tax liability.
- Do I have an investment portfolio? Williams & Partners can help you with maximizing the returns from your investments by minimizing the taxes you will have to pay.

It's also very important that we review your Notice of Assessment to determine that you were assessed as filed. If your Notice of Assessment differed from what was filed on your 2000

tax return, you have ninety days from the date of that Notice to file a Notice of Objection, should that be necessary. We also need your Notice of Assessment so that our files can be updated. Just fax it to us at 416-969-8167, or put it in the mail.

Our Tax Group consists of people with experience in all areas of taxation. For those of you who don't know, the Tax Group is comprised of the partners, Enzo Morini, CA, and Richard Hemming, CA, as well as Vivian Pivetta C.A., Todd Trowbridge C.A. and Mike Capello. Remember, we are here to help you. Please give us a call soon to arrange an appointment to discuss your 2001 personal income taxes.

W&P News Bits

CONTEST WINNERS

We are pleased to announce the winners of our T1 early bird draw for the 2000 season.

Grand Prize	Kathleen Wheeler	RCA 32" colour television
2nd Prize	Antonio Brasil	Sony DVD Player
3rd Prize	Steven Borlak	A round of Golf for 4 players, including golf carts at the Bushwood Golf Club
4th Prize	Dolores Greco	Gift Certificate for \$100 at any SIR Corp Restaurant
5th Prize	Teresa Wadey	Gift Certificate for \$100 at any SIR Corp Restaurant
6th Prize	Nancy Battaglia	Gift Certificate for \$100 at any SIR Corp Restaurant
7th Prize	Jeannette Jennings	Gift Certificate for \$100 at any SIR Corp Restaurant

NEW EMAIL ADDRESSES

We have recently updated our email system. We have now adopted new email addresses in order to make them more 'user friendly' for our clients. Our new format will be like this:

firstname.lastname@williamsandpartners.com

For example:

wendy.pettey@williamsandpartners.com

This new naming system will come into effect on June 1, 2001. Our previous email addresses will still be valid but we hope that this format will be easier for you to remember.

WEDDING BELLS

Congratulations and best wishes to Robyn Harris who will be taking a trip down the aisle on July 21st, 2001. Robyn will

return to work in August as Mrs. Shadoff. Same Robyn, same extension but with a new name and email address: robyn.shadoff@williamsandpartners.com.

CLIENT'S CORNER

Dots & Pixels Inc. was formed in 1994 with the introduction of a new digital colour printing technology that was sure to change the printing industry. Two brothers, John and Dave Rogers, both from corporate printing backgrounds, saw an opportunity to take a leadership position in the fast evolving "digital printing" business. They broke onto the Canadian printing scene with the first installation of colour digital printing technology. Getting started required an investment of over \$1 million and a significant personal commitment from the two partners. One of their first steps was to develop a solid business plan that could be used to attract financing.

More than six years later, with revenues exceeding \$3 million and 17 employees, Dots & Pixels continues to maintain a leadership position in the digital printing marketplace. They have continued to re-invest in the business, adding numerous "hi-tech" printing technologies that keep them on the leading edge of the industry.

The road has not always been easy. With large investments in equipment that quickly becomes obsolete, meeting financial commitments has often been a struggle. John and Dave's corporate background has positioned them well to develop and manage a business. However, the day-to-day requirements of running a transaction-oriented business, meant that, at times they veered from their charted path. With the assistance of John Trimble, the Partners have re-focused and are now learning to work on their business and not in it. Many controls have been put in place to manage the business more effectively and the right personnel are in position to move the business forward.

Dots & Pixels has grown because they have taken advantage of the valuable services that Williams & Partners is able to offer them. You can learn more about Dots & Pixels by visiting their website at www.dotsandpixels.com.

CONTACT US You can reach us by phone at 416-969-8166, e-mail at team@williamsandpartners.com, or on-line at www.williamsandpartners.com.