

Welcome to our first quarterly newsletter for 2017! We hope you have had an enjoyable summer and have made the most of the beautiful Bay of Plenty surrounds in which we are so lucky to live. We have been working hard behind the scenes to schedule in some informative, insightful and inspirational events for the year, including our free Library Law seminars which return in April, and our free, quarterly Wonder Women speaker series. You will find information about these events in this newsletter, along with advice on the importance of due diligence when buying a business, why Shareholders' Agreements and insurance should go hand-in-hand and how the 'bright-line test' might affect you if you are buying property. Happy reading!



Library Law Series Returns

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Full article on **page 3**

New Year, New Business Venture

As the summer calendar starts to run out, it is a good time to knuckle down and get serious about those New Year's Resolutions, especially if a new business venture is one of your goals for 2017.

Full article on **page 2**

Making Bright Property Choices

With the property market showing signs of slowing down, it's a good time to re-visit the 'bright-line test', introduced by the government in October 2015 to tighten property investment rules.

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Insurance and Shareholders' Agreements

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Inspiring Speakers Set the Tone for 2017

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New Year, New Business Venture

As the summer calendar starts to run out, it is a good time to knuckle down and get serious about those New Year's Resolutions.

If a new business venture is one of your goals for 2017, it is important to make sure you are being led by your head as well as your heart.

Including a wide due diligence condition in the Sale and Purchase Agreement is advisable as this will enable you to carry out a thorough investigation into the business before it becomes a *fait accompli*.

Seeking sound legal and accountancy advice, and ensuring that the

agreement contains all the provisions you need, will give your business the best chance of success.

Due diligence considerations include: seeking advice on the business' financials for at least the last three years, restraint of trade on the vendor, warranties included in the agreement, a purchase price breakdown (into tangible assets, intangible assets and stock), inspection of the stock and tangible assets, trademarks and other intellectual property, lease terms and conditions (check whether the building has received an earthquake strength assessment), compliance with regulatory requirements such as resource consents, impending law



changes, bad debts and contracts with suppliers and employees.

Considerations will vary depending on the type of business, but whatever your new venture, a comprehensive appraisal to establish a business' assets, liabilities and commercial potential is essential.

With professional advice and considered due diligence, you can proceed with your new business venture with confidence, optimism and enthusiasm - all the things new beginnings should be made of.

Insurance and Shareholders' Agreements – A Perfect Marriage

It goes without saying that insurance is an essential part of owning a business. Without insurance the consequences can be severe should an unexpected event affect your business.

However, putting insurance in place is one thing. If you own a business you should also consider how the insurance would apply in the event it takes effect.

Business owners can document these arrangements in a Shareholders' Agreement (in the case of a company) or a Partnership Agreement (in the case of a partnership).

A Shareholders' Agreement addresses matters relevant to the operation of the business, including its insurance needs. It should be prepared at the outset of the business relationship, while the parties' intentions are clear and before any issues arise.

The agreement should include what the policy covers, who owns the policy, where the policy is paid if invoked and when the policy is paid out.

A Shareholders' Agreement should also detail a process to value the shares in the business. The valuation should be reviewable allowing the business partners to increase or decrease their life and disability cover as they see fit.

A well-drafted Shareholders' Agreement will provide shareholders with clear direction should their business insurance ever be required.

Nick Earl, a director at Lyon O'Neale Arnold, works predominantly in the fields of property law, commercial and business law and family trusts. He can ensure your business has an appropriate Shareholders' Agreement (or Partnership Agreement) in place

to address all matters relevant to your business, including the application of its business insurance.

Nick works closely with Quinton de Bruin of Smart Advice, an Authorised Financial Adviser specialising in ACC and private risk insurances such as life and disability insurance, key person cover, debt protection cover and trauma cover. Quinton has a passion for assisting in protecting businesses against financial risk caused by illness or injury to key people in a business.

Combining their expertise, Nick and Quinton can provide you with a unique insurance and business agreement package tailored to suit your business, allowing you to focus on what you do best – your business.

Read the full article online at:
www.loalaw.nz/news/insurance

Making Bright Property Choices

With the property market showing signs of slowing down, it's a good time to re-visit the 'bright-line test'.

Introduced by the government in October 2015 to tighten property investment rules, the bright-line test states that any gain from disposing of residential land within two years of acquiring it will be taxable.

Subject to exemptions, the test only applies to residential land that has a dwelling on it and does not include farms or business premises.

For standard sales, the two-year period

starts when title for the residential land is transferred to a person under the Land Transfer Act 1952 and ends when the person signs a contract to sell the land.

In other situations, such as gifts, the date of 'first interest' is the date the title is registered by the donor and the end date is when the donor acquires registered title.

In simple terms, when a person buys their main home and then sells it within two years, the income they receive for the sale is not taxable.



A person can only have one main home to which the test doesn't apply. If the person has more than one home, it is the home with the greatest connection that is considered the main home.

The bright-line test is just one condition to be aware of when property changes hands. In a property transaction it is always advisable to seek sound legal advice.



Lyon O'Neale Arnold proudly supports the Cambodia Charitable Trust

Library Law Series Returns

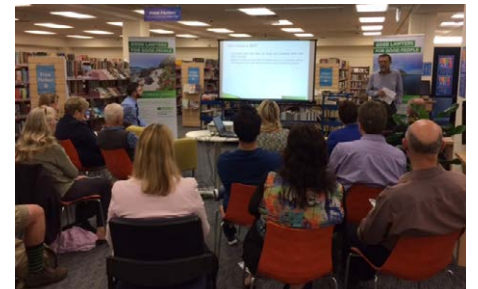
We are excited to announce that we will be running our free Library Law Series again this year.

Last year's seminars, held at Tauranga Library, were attended by more than 230 people and were so popular that we had to extend the series.

Covering a wide range of topics, the aim of the seminars is to demystify

the law by providing legal insight and direction to both business owners and individuals wanting to put their businesses and personal affairs in order.

We will kick off the 2017 series on April 5, with seminars on Enduring Powers of Attorney at both lunchtime and after work. A full schedule of seminars can be found below.



To register for a seminar, please phone **07 577 7177** or email library@tauranga.govt.nz

Date	12:30 PM – 1:30 PM	5:30 PM – 6:30 PM
April 5	Enduring Powers of Attorney	Enduring Powers of Attorney
April 19	Estate Planning and Wills	Estate Planning and Wills
May 3	Trusts	Trusts
May 17		Business Structures
June 14	Buying and Selling Real Estate	Buying and Selling Real Estate
June 28		Buying and Selling a Business
July 12		Directors' Responsibilities
July 26		Leases
October 4	Enduring Powers of Attorney	Enduring Powers of Attorney
October 18	Estate Planning and Wills	Estate Planning and Wills
November 1	Trusts	Trusts
November 15	Buying and Selling Real Estate	Buying and Selling Real Estate

Inspiring Speakers Set the Tone for 2017

We had a fantastic response to our latest Wonder Women event, attracting lots of new-comers with our inspiring speakers Nicola Wearne and Pip Charlton.

Outdoor adventurer Nicola, who suffers from rheumatoid arthritis, shared her amazing journey participating in the Polar Circle Marathon through the ice caps of Greenland, and her plans for the upcoming Everest Marathon.

Pip, a massage and lymphatic therapist, with more than 20 years'

experience working with people from all walks of life, spoke about the role of massage in sports performance and general health and wellbeing.

These two exceptional women left us inspired to follow our dreams in 2017, be they big or small. And that's what Wonder Women is all about!

A free, quarterly speaker series, aimed at bringing women together to be inspired, form friendships and share ideas. If you would like to be added to our mailing list, email ww@loalaw.nz



Don't forget to save these dates for more wonderful Wonder Women events:

- **May 23**
- **August 22**
- **November 21**



Follow us on Facebook

For the latest news, views and general shenanigans at Lyon O'Neale Arnold, follow us on Facebook at www.facebook.com/lyononealearnold.lawyers

Want to Change the World?

Are you, or do you know a woman who wants to change the world?

It's not too late to book a place at the inaugural **worldwomen17** conference in Auckland next month, at which one of our directors, Denise Arnold, is speaking.

The conference, on March 17-19, was established by prominent business leader Theresa Gattung and aims to provide a forum for women to inspire each other and discuss issues around business, education and health.

Find out more at www.worldwomen.org.nz



So You Can Sew?

Are you handy behind a sewing machine? Then the Cambodia Charitable Trust would like to hear from you!

The Trust, founded by our co-director Denise Arnold to improve children's lives through education, is calling for sewing machinists and donations of fabric to make re-useable sanitary products for girls in Cambodia so they don't miss out on valuable time at school.



Following the guidelines of the global Days for Girls programme, the Trust aims to have 500 kits completed by June.

To get involved and/or find out more, email devon.harland@paradise.net.nz