

the abacus

Autumn 2015

THIS SEASON'S HEADLINES

It's been a busy time for us . . .



DM
DIPROSE MILLER
chartered accountants



Kelly Winds Down

New Logo & Stationery

**. . . and Then There Were Six
(Directors)**

Diprose Miller Goes Platinum!

Morrinsville Office Doubles in Size

READ ALL ABOUT IT INSIDE !!



THE OFFICIAL NEWSLETTER OF

DM

DIPROSE MILLER
chartered accountants

Tel Aroha 07 884 8055 Morrinsville 07 889 1018 W. www.diprosemiller.co.nz

Get the advice that counts !

EDITORIAL



I think the last three months have had something for everyone. It has been great for holidaymakers and farmers have weathered another dry spell with rain arriving in the nick of time. For those lovers of sport, the Cricket World Cup has been hugely successful. I enjoy this time of year as I'm not keen on that intense summer heat.

Whether you're a March or May balance date we now have enough information on hand to review how you've performed this financial year. Has the business sector met with the success we expected? How has the farming sector coped with the declining payout? All of those assessments we made months ago can now be matched against the reality!



This interesting lady was seen recently grazing at the Morrinsville office where she has been welcoming visitors

From the firm's perspective we've got through our work very well this year thanks to the efforts of our staff (and directors!). Some staff are now taking a break while we directors take a deep breath over Easter before providing further assistance to clients to deal with what will be a difficult winter.

It's very much a mixed bag of content for this edition, with a new Chartered Accountant coming on board, the combining of our Morrinsville activities into one office and the departure of a familiar face in Te Aroha. We welcome a new owner into the business, introduce our new corporate image and start gearing up for life as a Xero Platinum practice.

We hope you'll take the time to read through this edition and bring yourself up to date with these and other developments. You might also pick up a few handy tips along the way!

I trust you enjoyed the Easter break and look forward to catching up with many of you over the next few months.

Take Care

Get the advice that counts!

Kelly Winds Down

After many years of dedication to this firm and to his clients, Kelly Diprose will reduce his workload to **two days a week** from April 2015. Most of you will be aware that Kelly sold his share in the practice four years ago and has been easing back slowly with the gradual transfer of his clients to Jeanette and Darren.

The process of reducing Kelly's workload further began in February and clients affected by the change have been personally notified. He'll still be making South Island visits and meeting clients at his Mount Maunganui office. Kelly has a great deal of knowledge that will be still be available to us for two days every week. He looks forward to maintaining his links and services to some of you as he eases into his retirement.



And Then There Were 6!



The Morrinsville Boys - Nigel, Jeremy & Tony

We're pleased and excited to announce that from 1st April 2015

Jeremy Skedgwell

has purchased a share in the Diprose Miller group. Jeremy joins Keith, Nigel, Jeanette, Darren and Tony as an owner of the practice.

Once Jeremy has completed the Course for New Practitioners in the next few months he will apply for a Certificate of Public Practice and become a full Director of the firm.

Jeremy has been with us now for some time and is based in the Morrinsville office. He has been spending most of his time working on developing value-added solutions for our clients and is spearheading our Xero initiative. The skills developed during his banking career, together with his accounting qualification, provide an excellent base from which to assist our clients to manage their tax and business affairs.

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Getting It Together

Xero Gets Serious at Diprose Miller

We're very pleased to announce that we have just secured "Platinum" status with Xero. This makes us one of just a handful of accounting firms in NZ that holds this status.

Over the last few months we've been working very closely with Xero's management team to ensure the smooth transition of a significant block of clients to Xero's cloud software platform. It's an exciting time for us!



If you're interested in finding out more about Xero and whether it is the best option for you, please contact us. We have the experience and knowledge to help you through the decision process.

Morrinsville Premises Unite

Since the purchase of the RWPartners business last year we have been operating from two separate offices in Morrinsville.

We're pleased to announce that from 1 April 2015 we are taking over the office space currently occupied by Ryan Law next to our original Thames St premises. They've already been repainted!

There's a fair bit of work involved in getting the new premises ready for our use, but we expect to be fully operational in the new, expanded office by the end of **July 2015**.

And a New Logo !

Clients will notice our new Diprose Miller branding in use in our signage, promotional material and stationery. The new look presents a more classic style and reinforces our stability as a firm with a proud past and promising future.



"There are many ways of going forward, but only one way of standing still"

Franklin D Roosevelt

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Advice from Abacus

FOR EMPLOYERS

For the first time in many years, there are no changes to the PAYE deduction rates applying to employees wages as we transition from the 2014/15 year to the 2015/16 year. Remember that the IRD website has a PAYE calculator that can be used if required. This can be found under the “Working It Out” section on the bottom right of their homepage.

Minimum Employment Standards

From **1 April 2015** new minimum standards apply that cannot be contracted out of, even by written agreement. These are summarised below.

Minimum Wage

1. The **Adult** (16yrs +) rate increased to **\$14.75** per hour.
2. The **Starting Out** and **Training Minimum Wage** rate increased to **\$11.80** per hour.

Parental Leave

The Government funded entitlement period increased from 14 to **16** weeks for parents of children born after 1 April 2015.

“Mondayising”

Waitangi Day and Anzac Day are now observed on the following Monday if they fall on a weekend. Contact us if you have any queries on how this change should be applied in your business.

Health & Safety - BE PREPARED !!

New workplace Health and Safety legislation is due to come into force in Sep/Oct this year and, as we have mentioned in earlier editions of the Abacus, it has some serious “teeth”.

Both business and farming clients will be covered by the legislation, which sets **significantly higher standards** for the establishment, documentation and execution of health and safety policies and procedures. We are looking to run a second series of workshops for clients on the critical issues before the legislation takes effect. More details to come in the next edition!



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Changes to Our Team

Farewell to the Face of Te Aroha

A familiar face to most clients, our Te Aroha receptionist **Heather Neems** is leaving us at the end of April after almost 15 years of dedicated service.

Heather will be focusing on helping husband John in the family business and is looking forward to a less hectic lifestyle.



We wish her all the very best for the future and greatly appreciate the high quality of service she has provided to our staff and clients.

“A satisfied customer is the best business strategy of all”

Michael LeBoeuf

The New Man in Te Aroha

We'd like to introduce **Ed Wagstaff**, the latest qualified member of our Te Aroha team. Ed moved to Te Aroha a year ago with his wife Hayley and numerous family pets. Ed is a qualified Chartered Accountant who comes to us from Virbac (veterinary pharmaceuticals) in Hamilton.



He has an auditing background with KPMG and will find his existing skills useful now that he is back in the public accounting arena.

Ed will be working closely with Darren's clients on a range of work after bringing himself up to date with using our systems and a few GST, tax and accounting issues.

In his spare time, Ed's a golfer (and Treasurer at the local golf club). He's enjoyed the reduced commuting time, especially through the Summer months. Hayley is a local vet who will be known to many clients as she has been working in the area for three years.

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Can You Believe It??

Life Insurance - to pay or not to pay?

A national insurance company has recently provided some thought-provoking statistics around life and income protection insurance in NZ.

1. In 2012, a whopping 66% of their life insurance claims were cancer-related. A further 20% related to heart disease.
2. In 2012 NZers claimed more than \$600 million in life insurance.
3. The average age that people **cancel** their income protection insurance is 46. The average age people **claim** on their income protection policy is 47, Not good news for the “average” person!

Still a Popular GST Mistake

Many farming clients are still making the error of claiming the GST content of costs relating to **farm dwellings**. These costs include insurance and maintenance for the dwellings, together with the cost of any improvements. It doesn't matter whether the dwelling is occupied by the owner, an employee or a “third party” tenant, the provision of residential accommodation is an exempt supply for GST purposes and the GST content of associated costs **cannot** be claimed.

Keeping an Eye on Trusts

A trust is an interesting structure for tax purposes as it is not a separate legal entity. Instead, the trustees as a group are liable for any tax issues relating to the trust and can be personally liable for any tax that is outstanding.

Further, there can be tax complications when trustees and/or settlors (often the same people) move overseas. Depending on the circumstances, this can lead to unforeseen tax liabilities in both NZ and the overseas jurisdiction.

The purchase of property overseas can also create tax issues for a NZ-based trust.

If your trust has settlors and/or trustees who are considering moving overseas, please talk to us first to make sure that we minimise any unexpected tax consequences.

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Useful Stuff to Think About

Being Taxed is Very Taxing

Ever wondered how tax compliance in NZ stacks up against the rest of the world? Well, we can tell you!

A recent "Paying Taxes 2015" study placed NZ at 22 of 189 countries for ease of paying taxes. Australia came in at 39. Scores were based on annual time taken to meet tax obligations, the number of payments required each year and total tax liability as a percentage of profit. Some comparative figures are shown in the table below.

	Average	NZ	Qatar	Bolivia
Compliance time (hrs)	264	152	41	1025
No of payments	26	8	4	42
% of profits	40.9	34.4	11.3	83.7

A Helping Hand from the IRD

The IRD has a very useful section on its website that provides some guidance for new business owners.

Check out the link below for information on a wide variety of issues.



<http://www.ird.govt.nz/yoursituation-bus/starting/>

Making Tax Payments via the Internet

The Inland Revenue are encouraging businesses to make tax payments by internet banking and this is now the preferred option for many of our clients. Many clients are asking us to provide them with the IRD's bank account number so they can set up a "Payee".



However, the IRD's bank account number is not required as the banks have set up a dedicated tax payment service within their internet banking facility that allows you to specify the tax type, period and IRD number to make things easy. **Check it out!**

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Staff Happenings

Something's Fishy Here!!

In mid-March our Social Club organised a fishing trip on the Coromandel. Nearly 40 staff and partners got together just before lunch on the Saturday and went out on the boats for a few hours to try their luck.

Everyone then gathered at the Coromandel Top 10 Holiday Park for some social time followed by dinner at the Coromandel Hotel. Most of the "crew" then stayed the night and gathering for a prize-giving breakfast on the Sunday morning.



Joy Craig and **Di Cooper** got the prizes for the biggest fish caught on each barge, **Jeanette Clubb** won the prize for "weirdest fish" for catching an eel and **Megan Farac** won the booby prize for being the only person to not even hook a fish. **Kerry Jacobs** & partner JR were awarded a special prize for both losing their hats overboard (on their first time fishing). It was a great event, with very special thanks to **Di Cooper** for putting the weekend together.

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Staff Happenings

Big Congratulations

Staff member **Melissa Slattery** and husband Justin have taken out the Canterbury/North Otago Sharemilker/Equity Farmer of the Year title at the awards ceremony in Christchurch at the end of March.

They also won 3 merit awards - the Honda Health & Safety Award, the LIC Recording & Productivity Award and the Westpac Business Performance Award. Given her accounting background, Melissa is particularly proud of the Westpac Award!



Melissa, a fully qualified CA, works from their home in Culverden using a remote connection. She juggles her work with helping run the farming business and taking care of son Ryan who is heading towards the “terrible twos”. There’s plenty to keep her busy!

They’re off to the national finals in early May and we wish them all the very best for that event.

“Success usually comes to those who are too busy to go looking for it”

Henry David Thoreau

Goat Run is Dun

Darren Diprose, Megan Farac and Darren’s wife Megan recently completed the Te Aroha Goat Run. The 20km course started at Wairere Falls and finished at Aongatete Lodge near Katikati. Darren completed the event in 3 hours 24 minutes, with the girls coming in 30 minutes later.



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End of Year Again ?

Okay Folks, Pay Attention

With April now upon us, so is the end of the financial year for many of our clients, particularly our non-farming clients. If you have a **March balance date** you will have received our standard annual client questionnaire document as a separate mailing.

Please give some urgency to completing the information on the questionnaire and returning it to our office with the associated documentation. If you have any questions about what is required, don't hesitate to contact us.

THE ABACUS END-OF-YEAR REMINDERS

Trading Stock on Hand

Trading stock should be valued at **cost** price and **exclusive** of GST.

Creditors

We'll need details of amounts invoiced to you from suppliers for goods and/or services supplied to you before the end of March, but for which you had not paid as at that date.

Debtors

We'll need details of money owed to you by customers at balance date for goods and/or services you provided to them before that date.

Bad Debts

Bad debts can be claimed if there is evidence that the debt is unlikely to be recovered. Remember that you will also need to formally remove the relevant invoice(s) from your debtors records prior to the end of the year.

Livestock on Hand

We'll need full details of the numbers of livestock owned by you at the end of the financial year. You should already have received our standard livestock form to use when recording these details.

Please contact us if you have any queries on the end-of-year information we need from you

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New Look Statements for Xero Clients

We will be preparing annual financial statements using Xero software for a number of our clients this year. As a result, the presentation of the statements will look different to previous years, however the content will be the same. The format of the statements has been designed to comply with new accounting standards developed by our governing body, Chartered Accountants Australia & NZ.



Statement of Profit or Loss

For the period ended 30/06/2014

Account	2014	2013
Revenue	1000	1000
Cost of Sales	(500)	(500)
Gross Profit	500	500
Operating Expenses	(200)	(200)
Operating Profit	300	300
Finance Income	10	10
Finance Expenses	(5)	(5)
Profit Before Tax	305	305
Income Tax	(61)	(61)
Profit After Tax	244	244

STAFF EXTENSION PHONE LIST



**TOLL-FREE
0800 888 055**

Te Aroha

(07) 884 8055

Angela Millward	816	Eric Russell	820	Kerry Jacobs	830
Angela Young	819	Erica Rigter	823	Kylee Elgar	839
Ann-Marie Sutherland	807	Erin Morgan	817	Matt Ward	895
Anthony Gray	805	Gail Brown	802	Megan Farac	800
Barbara Jenkins	862	Heather Neems	0	Michelle Way	858
Chelsea Grace	814	Joann O'Donoghue	813	Murray Whittaker	829
Debbie King	832	Judith Borrie	804	Phillip Legg	821
Deborah Young	831	Julie Luxton	818	Robyn de Boer	827
Diane Cooper	899	Kate Williams	837	Sharon Coombe	859
Ed Wagstaff	864	Kathy Reily	866	Wendy Gwynne	803
Ellie O'Donoghue	868	Keri Allen	815	Yvonne Avery	856

Morrinsville

(07) 889 1018

April Dornan	707	Kassie Thomas	705	Sharon Lawson	700
Catherine Chaney	714	Nikki Brown	709	Tonya Whitten	702
Euan Lock	711	Sandra Green	710		

Morrinsville

(07) 889 1365

Christine De Ath

Kayla Jeffrey

Lynda Brunton

Jo Walton

Kristine Nicholas

Nicky Kidd

Joy Craig

Lisa Peacock