

Winter 2015



We recently had staff photos updated as part of our new branding project. The Te Aroha (above) and Morrinsville (below) crews all took a few minutes away from their desks to enjoy the Winter sunshine.

Keep an eye out for our
updated website
due for release later this month !!



THE OFFICIAL NEWSLETTER OF

DM

DIPROSE MILLER
chartered accountants

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

EDITORIAL



I mentioned in the Autumn newsletter that it would be a difficult Winter from a financial point of view. I was rather hoping the weather would be kind to us. So much for those thoughts!

Rita and I have just returned from a two-week holiday in Melbourne/Sydney. I can assure you the Aussie weather is no different – wet, cold and windy.



While I'm on about Australia, we stopped at a place in New South Wales called Bega. They have a cheese factory there and some of the product does sell in NZ.

Anyway, they've developed this special cow (see photo). They say things are always bigger (Bega) in Australia!

As in the last edition I want to thank the staff for their efforts in 2014/15. Our filing with the Inland Revenue was as good as it has ever been and a very good start has been made in the current year. I was only away two weeks but had 25 completed sets of accounts waiting to be dealt with.

Tough times in the dairy sector will flow through to rural support businesses. We need to be on top of our game so we can give our clients the support they need to get through Winter. I can say at this stage that banks are being particularly helpful. They will need budgets and cash flows and monitoring data produced in a timely manner in the months ahead. It will be challenging, but we've done it before and come out the other side. We can do it again.

We look forward to catching up with our clients in person over the coming months and to providing the information you need.

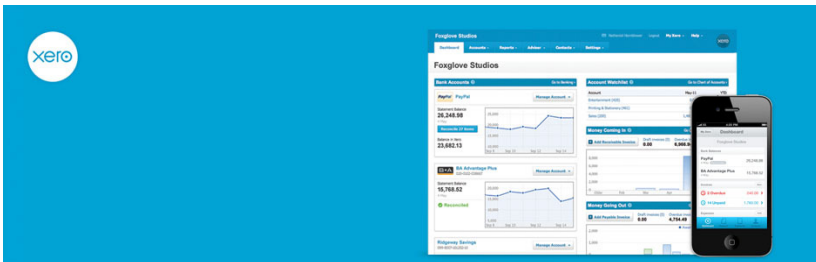
Take Care, KB

Get the advice that counts!

An Update on Xero

A Taste of Xerocon

Jeanette Clubb, Jeremy Skedgwell and Anthony Gray spent two days at Xero's annual conference at the end of April. The conference, held at the Viaduct Events Centre in Auckland, was a great opportunity to find out about Xero's plans for the future, check out some of the large number of Xero "add-on" software providers and talk to other accounting firms about their experiences with using Xero to assist their clients.



We're excited about our status as a Xero **Platinum Partner** and our Xero client base is increasing daily. It's been a busy time, with plenty of work behind the scenes to keep the ball rolling. Since the conference, we've been working hard to set up the necessary templates and staff training sessions to allow us to prepare financial statements on the Xero platform for the 2015 year.

At work, the authority of a person is inversely proportional to the number of pens that person is carrying.

Morrinsville Office Progress Report

The re-fit of our expanded premises (ex Ryan Law) is taking shape, with the internal framing up and the electrical, data cabling and air-conditioning work underway. We expect to have all our staff settled in our "big blue building" next to the Nottingham Castle by the start of July.

Fortunately there are no major changes required to our existing premises and we are connecting the two offices with two doorways. We're looking forward to having all 21 staff, client files and associated facilities under the same roof!

Get the advice that counts!

A Few Things to Watch For...

IRD CUD TXT U 4 \$\$

Inland Revenue have started sending text messages and postal reminders directly to clients advising of income tax payments due.

It is our standard practice to **issue reminder notices to you directly** from our office when income tax payments are required. The amounts advised by Inland Revenue are not always appropriate, especially when transfers have been requested and not yet processed, or when we have arranged to estimate provisional tax requirements.

Please check with us before making any payment based on Inland Revenue advice, especially if we have not advised you of an equivalent payment.



Work Related Vehicles

A reminder that, for a vehicle to be work-related (and exempt from FBT) there are **four conditions** to be satisfied. The vehicle must:



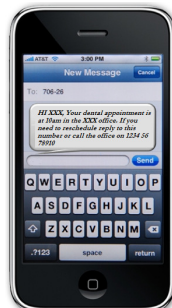
1. **Not** be a car
2. Be "prominently and permanently" sign-written
3. **Not** be available for private use
4. Be checked to ensure there is no private use

Remember also that travel from home to work is generally considered to be private use!

GST Reminders Via Text

For many years now we've been posting letters to our clients reminding them that their GST returns are due and requesting the necessary papers.

With delays in the postal service and the trend for clients to rely more heavily on mobile phones we will be sending future GST reminders via text message rather than post. Clients will still be able to receive the postal reminders if this is their preferred option.



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Advice from Abacus

New Companies Office Requirements

Company clients need to be aware of changes to the disclosure requirements of the Companies Office (summarised below).

For companies incorporated on or after 1 May 2015

1. Must provide the dates and places of birth for all directors (these will not be publicly available)
2. Must have at least one director who lives in NZ, or lives in Australia and is a director of a company incorporated in Australia
3. Must indicate whether any director living in Australia is also a director of a company incorporated in Australia and provide the details of one of these Australian companies
4. Must provide details of any ultimate holding company if applicable

For companies incorporated before 1 May 2015

1. Must provide the dates and place of birth for all directors (these will not be publicly available)
2. Must provide details of any ultimate holding company if applicable

For all companies from 28 October 2015

1. All NZ companies will be required to have at least one director that either lives in NZ, or lives in Australia and is a director of a company incorporated in Australia
2. When filing annual returns after 28 October NZ companies will need to indicate whether any director living in Australia is also a director of a company incorporated in Australia (and provide details of one of those companies)

These changes are intended to improve the integrity of the information held on the company registers and prevent the misuse of the registers.

THE PRINCIPLES OF BUREAUCRACY

1. **Never use one word when a dozen will suffice**
2. **If it can be understood, it's not finished yet**
3. **Never be the first to do anything**

Change to IRD "Use of Money" Rates

From 8 May the interest rate on **underpaid** tax rose from 8.40% to **9.21%**. For **overpayments**, the rate rose from 1.75% to **2.63%**.

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Changes to Our Team

Off on the Big OE !!

Young go-getter **Matt Ward** has decided to extend an overseas vacation into a full-blown OE and is leaving us in mid-June.

Matt's done well to hold his own in an open-plan office full of women. What they're going to do without him we can't imagine!



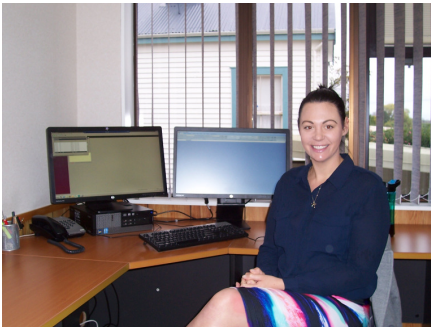
We wish Matt all the best for his trip. There's already a sweepstake in place to predict how long it will be before he is back at this desk!

“Life is not enjoyed by being busy over everything in general, but being passionate about one thing in particular. Always focus on that one thing, dream it and live it!”

Israelmore Ayivor

Adele Joins Keith's Team

It's a warm welcome to **Adele Archer** who joined us last month. Adele is starting her accounting career after three years with LIC as District Manager for the Hauraki/Coromandel. A quick learner, she's already getting to grips with the challenge of preparing GST returns and financial statements for a range of Keith's clients.



Adele and partner James are currently dairy farming on the Hauraki Plains. James was Sharemilker of the Year for the Auckland/Hauraki region in 2013 and this year they coordinated the regional competition. Adele has completed a business finance paper with AgITO and is a qualified barista!

She is the current Dairy Chairperson for Federated Farmers Hauraki Province. When not working, she and James enjoy playing squash and getting outdoors, especially hiking and running. It sounds like she is going to make good use of Mt Te Aroha on her doorstep!

Get the advice that counts !

Other Bits & Pieces

The Government Giveth . . .

Clients should be starting to see the impact of significant drops in ACC premium rates, with the latest budget confirming levy reductions of more than \$500m over the next two years. That's good news for business owners, although future Kiwisaver subscribers will miss out on the \$1,000 kick start which has been removed.

Farmers : Show Us the Numbers !!

If you have a May balance date, we need details of all livestock owned by you as at 31 May 2015. Please **complete and return** the annual questionnaire form that has recently been posted to you.

**I told the kids I never want to live in a vegetative state,
dependent on some machine and fluids from a bottle.**

So they unplugged my computer and threw out my wine.

Chelsea's Up and Running

Chelsea Grace is the newest member of the Abacus team. She has a background in both hospitality and the military (an interesting mix!) and is enjoying the challenge of the accounting environment.

She's pleased to find a job that gives her the chance to settle into a community and get to know people. She is looking after payroll and related duties for our clients, including PAYE, ACC and company returns.

Chelsea has been in the Royal NZ Navy since she was 17 and reached the rank of Able Steward based in Devonport.

A keen sportsperson, Chelsea is heavily involved in netball as player, umpire and coach. She and her Mum have 6 cats and 2 dogs between them!



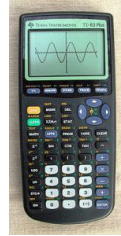
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Useful Stuff to Think About

Check Out Those Calculators

Our website contains a number of useful online calculators that clients may wish to access.

These include calculators for a number of loan/mortgage related matters, together with income tax, GST, lease and savings calculators. Try them out at www.diprosemillar.co.nz under the “Resources” tab!



2015 Herd Scheme Values

The 2015 National Average Market (Herd Scheme) values for live-stock have been announced. As we expected, values have generally decreased, with Beef Cattle “bucking the trend”. The table below shows the changes for common livestock types.

	2015	2014
Dairy cows (Friesian)	1,655	1,963
Dairy cows (Jersey)	1,655	1,782
MA Cows (Beef)	1,171	986
MA Ewes	113	118
Dairy Goats (Does)	550	380

It is interesting to note that the values for all classes of Friesian and Jersey cattle have been aligned. National Standard Cost input values have also generally decreased.

Recent legislative changes mean that a taxpayer who is ceasing farming (and selling their livestock) no longer has the ability to elect to use the opening herd scheme value for the year. If the livestock is disposed of **before** 1 November the opening value is used. If the disposal is **after** 1 November the closing value is used.

Those Generous Aussies

The latest Oz budget contains a 100% tax deduction in the year of purchase for assets costing less than **\$20,000**. Yes, you read it right! The deduction is available for “small” businesses with revenue less than A\$2m. Yes please, Mr Key!

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Staff Happenings

Supporting the Community

The Diprose Miller boardroom was the venue for a recent quiz night to raise funds for the family of Natalee Lawson, the niece of Sharon Lawson, our Morrinsville receptionist.

Natalee is currently undergoing aggressive chemo treatment after cancer surgery. Tony Brown was the quizmaster for the evening, assisted by wife Nikki. 12 teams participated and **\$3,550** was raised.

Winners were the "Quizzee Bees" led by Michelle Way, followed by "The Clowns" with Euan Lock at the helm and Gail & Ellie's "The Quizzical" in third. The funds raised will be used to support Natalee with her treatment expenses and for Vitamin C injections to boost her immune system.



"The human brain starts working the moment you are born and never stops until you stand up to speak in public"

George Jessel

And Libby Makes 4 !!



Congratulations to staff member **Ann-Marie Sutherland** and husband Kayne. On 2nd June Ann-Marie gave birth to Libby May Sutherland who weighed in at 7lb and is a sister for Coby. Mother and daughter are both well and we're looking forward to a visit as soon as things settle down a little.

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Staff Happenings

Even BIGGER Congratulations !!

Not content with taking out the Canterbury/North Otago Sharemilker/Equity Farmer of the Year title at the end of March, staff member **Melissa Slattery** and husband Justin followed this up by winning the national title at the awards ceremony at Sky City in Auckland in early May. An amazing achievement!



A support crew of 22, including both sets of proud parents and Kelly and Val Diprose, were there to enjoy the experience. Melissa tells us they were treated like royalty in Auckland for five days and sat in the Fonterra boardroom just after a recent payout announcement!

Melissa and Justin are pleased to achieve this long-term goal, but there are many more on their list!!

From the Soccer-Football Desk . . .

Long-serving staff member **Murray Whittaker** is a volunteer driver for the 2015 U20 Football World Cup event. “Muzza” is based in Hamilton, but his “job” takes him far and wide around the upper North Island. He’s a “fleet supervisor” assisting with the management of 13 drivers based in Hamilton.



He’s made a couple of trips to Auckland to transport FIFA officials around and tells us that he’s never seen so many foreigners!

Unfortunately he probably won’t get to see much match action, but he is enjoying mixing with teams and officials. He highly recommends that clients and staff take the time to attend some matches and enjoy the world-class football on display.

Get the advice that counts!

Special Events

A Taste of the Farming Life

At the end of May our staff were treated to an afternoon of "Education Outside the Classroom" and visited the Schuler goat farm operation on McKinley Rd near Te Aroha. We started with a BBQ lunch (sossies & bread) at the office before slipping on the gumboots and heading to the farm.



Kevin and Paul Schuler were our hosts, together with equity partners **Rene and Verena Burri** and their team. Our staff took a look around the goat housing shed, heard about how the operation works, got up close with the goats and a few even tried their hand in helping with the milking. It was an educational experience for all involved and a nice change from spending the afternoon at their desks!



We'd like to give a special thanks to Kevin, Paul, Rene, Verena and the crew for taking the time to show us around and give us an insight into their operation.



A big game hunter went on safari with his wife and mother-in-law. One morning, while still deep in the jungle, the hunter's wife awakened to find her mother gone. She woke her husband, and they both set off in search of the old woman.

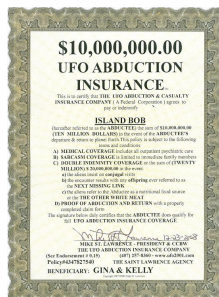
In a clearing not far from the camp, they came upon a chilling sight. The mother-in-law was standing face-to-face with a lion. "What are we going to do?" his horrified wife asked.

"Nothing", her husband replied, "The lion got himself into this mess, let him get himself out of it".

Get the advice that counts!

A Small Request to Clients

Please send us copies of **life and income insurance policy documents** with your papers, especially those that are updated during the year. We need these documents to determine the correct tax treatment of the premiums that are paid. They will show the **owner** and **nature** of the policy, both of which can have an impact on the tax treatment. Also, in many cases the premium is not paid by the owner of the policy!



STAFF EXTENSION PHONE LIST



**TOLL-FREE
0800 888 055**

Te Aroha

(07) 884 8055

Adele Archer	835	Eric Russell	820	Kylie Elgar	839
Angela Millward	816	Erica Rigter	823	Lyn Miller	0
Angela Young	819	Erin Morgan	817	Megan Farac	800
Anthony Gray	805	Gail Brown	802	Michelle Way	858
Barbara Jenkins	862	Grant Glover	895	Murray Whittaker	829
Chelsea Grace	814	Joann O'Donoghue	813	Phillip Legg	821
Debbie King	832	Judith Borrie	804	Robyn de Boer	827
Deborah Young	831	Julie Luxton	818	Sharon Coombe	859
Diane Cooper	899	Kathy Reily	866	Wendy Gwynne	803
Ed Wagstaff	864	Keri Allen	815	Yvonne Avery	856
Ellie O'Donoghue	868	Kerry Jacobs	830		

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	