

the abacus

Summer 2015



From all of us here at Diprose Miller Ltd
BEST WISHES
for a safe and happy festive season !!

Christmas & New Year Office Hours

Our offices in Te Aroha and Morrinsville will close at
1pm on Wednesday 23 December 2015
and re-open at
8am on Monday 11 January 2016

**"I am Summer, come to lure you away from
your computer . . . come dance on my fresh
grass, dig your toes into my beaches."**

Oriana Green

THE OFFICIAL NEWSLETTER OF

DM

DIPROSE MILLER
chartered accountants

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

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EDITORIAL



Firstly, I want to wish all of our clients the best for the festive season. This year our office will be closed from lunchtime on 23 December through to 11 January. That's quite a lengthy break for us, but our workflow has been very good to date. A special thanks to our clients for providing prompt information and to our staff who have worked very diligently over the last few months in particular.

It's certainly been a trying year for us all and I'm hoping we can look forward to a substantially improved business environment in 2016. The main positive influence in the last twelve months has been falling interest rates which have helped keep many business operators "in the game".

The low point has been the uncertainty in dairy payouts, the impact of which has rippled through the provincial towns, affecting rural businesses and the local farming communities.

"Christmas is a necessity. There has to be at least one day of the year to remind us that we're here for something else beside ourselves."

Eric Severeid

Thinking about all of this, I'm sure we can all do with a bit of time at the beach to unwind once we get through the rigours of Christmas and Boxing Day. Boxing Day for me will probably involve a trip to Ellerslie. Don't ring my mobile that day - you will only get my wife Rita!

After Boxing Day it's off to Whangamata where I am always comfortable. But in all seriousness, our advisors contact numbers are on the next page. Don't hesitate to contact us if you require urgent attention over the break.

Once again, best wishes to you all. We'll see you on the other side of the break!

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Fireworks A Big Hit !!

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Advisors' Contact Details

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Jeanette Clubb	027 684 7777	Tony Brown	027 570 5181
Darren Diprose	027 551 1818	Jeremy Skedgwell	021 305 590
Kelly Diprose	027 596 0414	Anthony Gray	027 571 2242

Handy Employer Reference

Public Holiday on Sunday or Monday?

If Saturday **is** normally a working day for the employee

Public Holidays are	Boxing Day = Sat 26 Dec 2015 2 Jan Holiday = Sat 02 Jan 2016
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If Saturday is **not** normally a working day for the employee

Public Holidays	Boxing Day = Mon 28 Dec 2015 2 Jan Holiday = Mon 04 Jan 2016
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Have you ever noticed . . . anyone driving slower than you is an idiot and anyone driving faster is a maniac ?

**Let's look after each other on the roads
this festive season !**

A Few Things to Watch For ...

Tax Simplification

The government is calling for submissions on its latest tax simplification initiative. They are focusing on two specific areas.

1. Administration of PAYE & GST
2. Changes in the Tax Administration Act

A recent webinar attended by our directors failed to clearly explain how the changes might make things easier for our clients, although it was a very effective tool against insomnia!

The proposed changes relate significantly to the transfer of electronic information between business and Inland Revenue on a more regular basis and an increasing requirement to file tax information electronically.

So in our view it's not so much "tax simplification" as the average taxpayer would like to see it, but using the internet and related technology to make it easier to comply in an increasingly complex tax environment.



Can a Trust be Simple?

Many of our clients have family trusts that exist solely to own the family home and/or holiday property. We're often asking ourselves whether it is necessary to prepare annual financial statements for these trusts. They generally have no income, very few bank transactions and often will not even have a dedicated trust bank account.

However, we are finding that it is necessary in some cases to be able to quickly refer to a document that clearly outlines the exact nature and amount of the assets and liabilities of the trust at any time. Indeed, a typical trust deed would require the trustees to maintain accurate records of the trust's financial position. Sometimes this can easily be determined by reference to a solicitors Deed of Debt and gifting records, but if there are ongoing transactions between the trust and the settlors/beneficiaries, financial statements can be necessary to satisfy external parties, e.g. when applying for rest home subsidies or when winding up the trust.

"Youth is the trustee of prosperity" Benjamin Disraeli

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Advice from Abacus!

Those Pesky Holidays !!

We're just about to that time of the year when statutory holidays and leave requirements can create a real headache for employers.

The three issues that most commonly create difficulties for our employer clients are listed below.

1. Determining which public holiday applies to their employee
2. Paying the correct pay for the public holiday
3. Not requiring employees to complete a timesheet

Contact **Angela Millward** at our Te Aroha office on **Ext 816** for advice on dealing with these (and any other) holiday issues. We're here to help - please make use of our expertise!

"I once bought my kid a set of batteries for Christmas with a note on it saying 'Toys Not Included'"

Bernard Manning

Health & Safety Workshop Report

Our recent Health and Safety workshop was attended by 28 clients. Feedback was very positive, although we were disappointed by the apparent lack of interest in a very topical issue.

The new legislation comes into force at the start of April 2016 and our message is simple : **DOING NOTHING IS NOT AN OPTION !!**



"Whaddya mean, new Health and Safety regulations?"

We've listed below some websites that provide useful references to the impact of the new legislation and advice on compliance.

WORKSAFE NZ
www.business.govt.nz

OSHBOX
www.oshbox.co.nz

HAZARDCO
www.hazardco.com

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In the Community

We Salute Excellence !

We're proud to continue our sponsorship of the Diprose Miller Scholarship Award for excellence in Accounting and Economics at Morrinsville College. This year's recipient was **Cameron Jackson**, seen here with our Morrinsville directors Tony Brown, Nigel McWilliam and Jeremy Skedgwell.

Cameron is heading to Waikato University next year to commence his Bachelor of Management Studies programme majoring in Accounting. We wish him all the best in this next stage of his life.



"Striving for success without hard work is like trying to harvest when you haven't planted"

David Bly

Meeting the "Accowntant"

Never one to miss an opportunity, Nigel McWilliam was heading home from a business lunch recently and met a group of children on a school trip. He was quick to explain the background to our special Diprose Miller cow and talk about the additions to the herd that will soon be seen around the town.



Director Nigel McWilliam shows a group of schoolchildren the Diprose Miller cow

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Other Bits & Pieces

New Look for Charities Website

The Charities Services website has a new look designed to make it easier for the public to review information on charities. A summary page has links to five main categories of information.

1. Purpose & Structure
2. Annual Returns
3. Officer Details
4. Notices of Change
5. Supporting Documents

Charity Summary

Charity Details	Charity Details
Purpose & Structure	Legal Name:
Annual Returns	Other Name (inc Trading Name):
Officer Details	Registration details
Notices of Change	Reg Status:
Supporting Documents	Reg Date:
	Reg Number:
	Balance Date:
	Address for service
	Charity's Postal Address:

New standards for charities' annual financial reporting are now in place, so make sure that you understand the changes. The website has excellent reference material and reporting templates are available that can be downloaded to make the job easier.

Easier Filing of GST Returns?

Inland Revenue are working with MYOB and Xero on a new service that will allow taxpayers to file their GST returns directly from within their accounting software. The new service will be trialled this month and is expected to be available to all taxpayers in stages during 2016.



The Abacus Online

Many clients choose to receive this newsletter, The Abacus, directly as an emailed PDF file rather than in the post. If you wish to do so, please contact reception to let them know.

A reminder to all clients that current and previous editions of the Abacus are available to view and download on our updated website. Check it out at www.diprosemiller.co.nz.

We try to make The Abacus both interesting and informative. Our goal is to keep you up to date with not only what is happening in our practice, but with key changes in tax, accounting and business that may affect you.



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Staff Happenings

The Shield Comes Home



Director Nigel McWilliam has had some difficulty accepting that Southland lost the shield back in 2011, so he's arranged to have it visit the office every year to make him feel better (at least that's his story!).

A smiling Nigel McWilliam and some of the Morrinsville team pose with the Ranfurly Shield after Waikato defeated Hawkes Bay to bring it home to Hamilton.

The Art of Theatre

A group of staff recently attended the Morrinsville Little Theatre's production of "Cinderella Meets the Mother-in-Law", a hilarious dinner-show combination that was enjoyed by all.

A few staff also attended the Te Aroha Little Theatre's production of "Cash on Delivery", another comedy featuring Te Aroha staff members **Phillip Legg** and **Murray Whittaker** (as an out-of-control washing machine).



The Long Walk

Jeanette Clubb, Erica Rigter, Julie Luxton and Diane Cooper took part in the Auckland Half Marathon event on the morning of the Rugby World Cup final. The start was delayed so that the participants could watch the end of the game on the big screen at the start line. Needless to say, everyone felt pretty happy when the starting gun finally sounded!



Here they are showing off their medals and enjoying the memory of a job well done. No doubt there are more long walks in the pipeline for this group!

We'll keep you posted on their activities as they tackle even bigger challenges!

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More Interesting News

Some Relief for Companies?

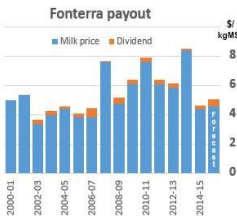
Capital gains from the sale of assets to related parties are generally taxable to shareholders, even on the winding up of the company. The legislation giving rise to this potentially nasty surprise dates back to the 1980s but is widely regarded as being out of date and unreasonable in our current tax environment.

Inland Revenue have indicated that they intend to relax this rule, although their recent discussion paper suggests that only capital gains arising from sales to “non-corporate” related parties would be non-taxable, provided that the company has five or fewer shareholders. Watch this space for further updates!



Tax Assistance for Farmers

The Government has relaxed the standard rules regarding deposits and withdrawals from the Income Equalisation Scheme to assist farmers who are struggling with the dairy price downturn.



Late deposits for the 2015 year are being accepted and Inland Revenue is readily accepting applications for the early withdrawal of deposits for the 2016 and 2017 years. This effectively allows farmers to move taxable income easily from the 2015 year to future years, where a lower tax rate might also apply.

Sniffing Out the Cash !!

Inland Revenue is on the prowl in the cash economy, with a new initiative directed at tradesman and contractors. There are three outcomes Inland Revenue wants to see.

1. Business owners **declaring all their income** including all cash jobs, no matter how big or small.
2. Encouraging taxpayers to “**dob in**” those in their industry that they suspect are not declaring all their income.
3. Making **voluntary declarations** of past cash jobs not included in returns to avoid penalties, interest charges and prosecution.

We've had clients in the building industry receiving letters from Inland Revenue encouraging them to return any cash jobs as taxable income and reminding them of the consequences of not doing so!

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The Crowd Goes Wild!

From the Soccer-Football Desk

A few of the Te Aroha crew have been competing in the local pre-Xmas 5-a-side soccer tournament at Boyd Park in Te Aroha. Held on Monday evenings, we were pleased to see the long-awaited return of **Murray Whittaker** to add some penetration and pace to our attack. Other regular members of the team from our staff were Ed Wagstaff, Megan Farac, Darren Diprose (with son Calan) and Erica Rigger (until she suffered a torn calf muscle).



The team pose for photo after another hard match (photo taken before refreshments)

Heading into the last week of play, our guys were sitting about halfway down the table. We'll need to check the final results to decide whether this was more than just a chance to partake in a cold one after the games!

"Show me a guy who's afraid to look bad, and I'll show you a guy you can beat every time"

Lou Brock

Did You Know?

The average weekly rent payment in NZ is \$290. The average weekly mortgage payment is \$389.

If we had the same mortality rate now as in 1900, more than half the people in the world today would not be alive

The ratio of the population aged 65 and over to the working-age population will increase from 30% in 2012 to 43% in 2050

The world record for memorising a shuffled deck of cards is 21.9 seconds

NZ has 75,385 SMEs (businesses with a turnover of more than \$1m but less than \$80m) with a tax debt of about \$866m - out of a total tax debt of \$2.1b

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Thanks for Your Support in 2015



Merry Christmas



SEE YOU NEXT YEAR !!

And finally, after 25 years

Diprose Miller Ltd are very pleased to be sponsoring this year's Te Aroha Christmas Float Parade. We've even made arrangements for our own float, which has a theme of "**The Kiwi Summer Xmas**". We're thinking that this reflects our team's eagerness to get out of the office for a couple of weeks and enjoy the warm weather! We're hoping a big crowd will turn out to see the large number of floats entered. **See you there !!**