

the abacus

Autumn 2016



These Special Events Coming Up !!

See inside for more details

23 March | Workplace Health & Safety

24 March | An Introduction to Xero

14 April | The Resilient Farmer

We want to be sure that our clients have the best opportunities to be informed and prepared !!

BOOK YOUR SEATS NOW

"You can't hide your true colours as you approach the Autumn of your life"

Unknown

THE OFFICIAL NEWSLETTER OF

DM

DIPROSE MILLER
chartered accountants

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

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EDITORIAL



I noted in the Christmas edition of The Abacus that I hoped we could look forward to a substantially improved business environment in 2016.

With Fonterra knocking back the milk price yesterday it isn't the start I was looking for! At least we have finally hit Autumn, giving some relief from what was a very humid January and February.

I also noted in the last edition that low interest rates were a real bright spot. I think I can now include the dairy season as a bright spot, with rain in most areas. The "big dry" didn't eventuate!

The big negative, of course, is the payout. Please continue to keep us informed on an individual basis. Our teams are ready to assist if they can.

**"Bad weather
always looks
worse
through a
window"**

Tom Lehrer



As one of our farming clients has commented, "Don't let the bastards get to you". Focus on what you can control and refuse to take a negative attitude. Ignore the ongoing publicity, get on with it, work together and look after each other!

You will note that this edition of The Abacus has been issued a couple of weeks earlier than usual. This is due to the fact that we have a few events coming up that should be of interest to you. I suggest you get in early, as venue size can be a bit tricky around here.

I must thank our staff once again on their efforts since Christmas. Even with air conditioning, working conditions haven't been that pleasant. However we are at a very high level of work completion for 2015/16. The crew will look forward to a brief respite before tackling the next financial year's work!

Look forward to catching up.

KB

Two silkworms had a race. They ended up in a tie.

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SPECIAL EVENT !!

The Resilient Farmer

The name **Doug Avery** is synonymous with farming. The South Island farmer, who modernised generations of farming practices in a bid to combat the harsh effects of successive droughts, regularly shares his knowledge and expertise with New Zealand farmers via his *Resilient Farmer* roadshow.

Now, in conjunction with Diprose Miller Ltd, Doug Avery's *Resilient Farmer* is coming to Morrinsville. On Thursday 14 April Doug will impart his wisdom and advice at the Morrinsville Golf Course. Speaking about the three key pillars to sustainable, resilient farming - financial, environmental and social - Doug will encourage the Mat-amata-Piako farming community to adopt new thinking, practices and software to cope with the adversity farming can present.

A promotional poster for Doug Avery's 'Resilient Farmer' event. It features a black and white photo of Doug Avery, a man with a plaid shirt, standing in a field with sheep. To the right of the photo is a green banner with white text. The banner includes the event title 'DOUG AVERY'S Resilient Farmer', the date '14 April 2016', and the location 'Morrinsville Golf Club | 5pm'. Below this, it says 'RSVP: 6 April, register online' and provides the website 'www.diprosemiller.co.nz/doug-avery' and email 'mail@diprosemiller.co.nz'. At the bottom of the green banner, it states 'Doug Avery's Resilient Farmer aims to deliver powerful support to farmers across three pillars'.

Our directors recommend this presentation and believe that farmers will gain practical insights into dealing with the challenges presently faced by the rural sector.

Doug's presentation runs from 5.00pm to 8.30pm

PLACES ARE LIMITED

Reserve your seat using the link below

<http://www.diprosemiller.co.nz/doug-avery/>

**"MAN NEVER MADE ANY MATERIAL AS
RESILIENT AS THE HUMAN SPIRIT."**

BERNARD WILLIAMS

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Credit Where Credit's Due

Kassie Joins the CA Ranks

Morrinsville senior staff member **Kassie Thomas** has gained her Chartered Accountant designation with CAANZ, our professional body.

Her final “capstone” module involved three practical workshops in Auckland followed by an exam. It’s been a long road for Kassie as she has completed both her degree and CA qualification while working full-time.

After five years part-time study at Wintech and two years of CA study, she’s happy to take a well-earned break from the textbooks!



Kassie’s been with us all that time, kicking off her degree just after starting work at Diprose Miller back in 2009. She now plays a senior role in our Morrinsville office and has helped to develop our Xero software services.

Now that the study is over, she’s looking forward to spending more time with friends and family and plans to get re-acquainted with the great outdoors. **Well done Kassie, it’s a great achievement!**

Keep the Brightline in Mind

With the property market booming, it’s a good time to remind our clients about the new “Brightline Test” that can result in gains on the sale of residential property being taxable. Essentially, the new rules apply to any residential property owned for less than two years.

While there is an exemption for the family home, there does not need to be an intent to sell at the time of purchase for the new rules to apply. It’s simply a matter of the timing of the purchase and sale. Talk to us if you need to check your position before selling.

“I’ll stop at nothing to avoid using negative numbers”

Ren Walker

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Advice from Abacus!

Minimum Adult Wage Now \$15.25

From 1 April 2016 the minimum adult wage will increase by \$0.50 to \$15.25/hr. The starting-out and training hourly minimum rate will also increase from \$11.80/hr to \$12.20/hr.

The starting-out wage rate applies to 16-19 year old employees that meet certain criteria. The training wage rate applies to employees aged 20 years and over who are undertaking recognised industry training. Again, criteria apply.

There is no minimum wage for employees under 16 years, but all other employment rights and entitlements still apply.



"My greatest strength as a consultant is to be ignorant and ask a few questions"

Peter Drucker

Payroll Compliance

MBIE (formally the Dept of Labour) are active in our area auditing employer payrolls for compliance. Some of these audits are revealing non-compliant behaviour. The primary issues are listed below.

1. Failure to keep accurate time and leave records (timesheets)
2. Manual payroll records failing to show leave calculations as required under the Holidays Act 2003 (holiday pay, sick leave, public holiday payments, etc)
3. Failure to keep written employment agreements.

Some farm employers are still "salary averaging" during the Spring and not meeting minimum wage requirements over this period.

The message is clear from MBIE - the new guidelines have been in force for more than two years and employers should be compliant. Future breaches are likely to incur penalties. The gloves are off!

If you require assistance in checking your compliance, please contact **Angela Millward** on (07) 884 8055 ext 816.

We never really grow up, we only learn how to act in public

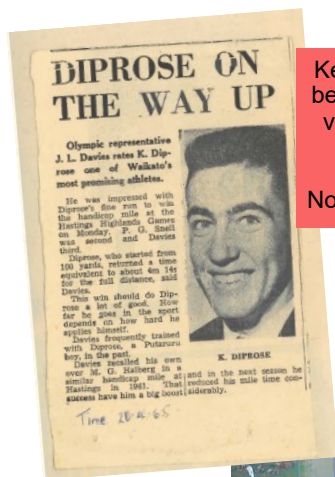
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In the Community

Please Bow Before Entering . . .

Firm founder and current consultant **Kelly Diprose** was made a Member of the NZ Order of Merit (MNZM) in the 2016 New Year's Honours List. The award was in recognition of Kelly's many years of voluntary service to NZ Athletics.

For Kelly, the thrill of seeing his young athletes achieve significant milestones and the feedback from them and their families makes it all worthwhile. His charges have claimed a number of national and international titles over the years and he has enjoyed being able to see many of these successes in person.



Kelly's unlikely to forget the day he beat both Peter Snell and John Davies in the mile event at the 1965 Hastings Highland Games.

Not quite a 4-minute mile, but close!



With Kerrie White & Taryn Davey at NZ Champs 2012



He tells us his favourite trips have probably been to the World Youth Championships in the Czech Republic (2007) and Ukraine (2013). He was also very excited to attend the 2000 Olympic Games in Sydney while he was Chairman of Athletics NZ.

Kelly has been ably supported by wife Val in his journey of service and continues to be involved in coaching in both the Te Aroha Club and other Waikato venues. The investiture will formally take place at Government House in Wellington on 12 April.

CONGRATULATIONS KELLY !!

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Other Bits & Pieces

Cash Jobs Under Scrutiny

Inland Revenue has been targeting the cash economy for some time and currently has building contractors under the microscope.

Letters and emails have been sent directly from Inland Revenue to clients in the building sector reminding them to declare their cash jobs as part of their taxable income.



We've no doubt that these will be followed up by a targeted review strategy. Given that multiple written "warnings" have been issued, we can't see Inland Revenue showing much tolerance for those who are found to have undeclared income! We're guessing that significant penalty and interest costs would be imposed in these cases.

Time for a Fix ?

We're thinking that it might be time for some clients to consider fixing a portion of their floating interest rates. There's no need to panic, but if an increase in the floating rate would create debt servicing difficulties, fixing part of your debt will reduce the overall risk.

The midget fortune-teller who escaped from prison was a small medium at large

Xmas in Asia

Our director **Jeremy Skedgwell** spent some time in Asia over the Christmas break. The trip, with partner Christine, saw them visit a number of Asian countries including Thailand, Vietnam and Cambodia.



Here we see him relaxing at the Angkor Wat temple complex in Cambodia, the largest religious monument in the world.

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Useful Stuff to Think About

End of Financial Year Checklist

Even though it feels like Christmas has just left us, we're almost at the end of the 2016 financial year for March balance date clients. We've listed below a few points to keep in mind.

Trading Stock Valuation

We'll need a valuation of trading stock held for resale as at 31 March. This should be based on cost price and exclude GST.

Livestock Numbers

Farmers with a March balance date, remember to count your livestock on 31 March and provide us with the details.

Holiday Pay & Staff Bonuses

If these are incurred before 31 March, they can be claimed in the 2016 year provided they are physically paid within 63 days (2 June).

Bad Debts

These must be formally written off your debtors ledger before 31 March to be deductible in the 2016 year. This doesn't stop you chasing them after that time!

Annual Questionnaire

We'll be sending March balance date clients their annual questionnaires in a separate mailing. Please complete these and return them to us ASAP. Of course, we're available to discuss any of these items with you to provide clarification and assistance.

Please don't hesitate to ask!

"In spite of the cost of living, it's still popular"

Laurence J Peter

A Scary Trip?

Staff member **Michelle Way** spent a couple of weeks in Scotland late last year. Despite her best attempts to locate the Loch Ness monster, this was the best she could do. At least the photo was taken at Loch Ness. She's brought it home with her and we're told it's her dog's new best friend!



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Staff Happenings

The OXFAM Walk

A team of four staff is busy preparing for the Oxfam fundraising walk in April. **Darren Diprose**, **Erica Rigter**, **Euan Lock** have been in training for some time. **Grant Glover** has replaced original team member **Nikki Brown** who was forced to withdraw due to an injury. They'll be walking 100km together in 36 hours on a course in Whakatane. Their team "The Accountants" is named after the cow sited outside our Morrinsville office.



Grant, Euan, Darren & Erica won't look this fresh after 100km hard walking!

<http://www.diprosemiller.co.nz/in-the-community-2/>

They are aiming to raise at least \$2,500 and would appreciate any sponsorship support from our readers. Details can be found online if you check out Oxfam Trailwalker 2016. Donations can be made through the website or either of our Te Aroha/Morrinsville offices.

Another Long Walk

Kelly and Val Diprose have recently walked both the Greenstone and Routeburn tracks back-to-back as part of the "Grand Traverse". This was a 6-day epic journey for the hardy couple who tell us they greatly enjoyed the trip and even carried their own gear the whole way. A good effort on your part, we say!

The photo shows the "Diproses" after walking through a river in the rain. The Greenstone Valley is in the background. Val's trying to look happy!



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More Interesting News

Income Equalisation Relaxed

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

Paid Parental Leave

From 1 April 2016 paid parental leave is increasing in length. Eligible mothers will be able to receive 18 weeks of leave instead of 16 weeks if their baby is due or born on or after that date.

Xmas Parade for Te Aroha

Te Aroha held its first Christmas Parade for more than 20 years in 2015. It goes without saying that we needed to be part of it! So a few of our more enthusiastic staff decided to adopt the theme “**Kiwi Xmas Summer**” and dressed up the Mohring family truck to match. As you can see from the photos, the official staff dress code was stretched just a little for this event! What will they think of for 2016?



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Not to be Missed !!!

Health & Safety in the Workplace

April 2016 is a key date for all employers, with the introduction of new legislation governing health and safety practices in the NZ workplace. There's been plenty of misinformation creating fear in the business community, so we've put together a presentation designed to correct this misinformation & allay your fears!

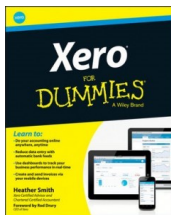
Come along on **Wednesday 23 March** to our Te Aroha boardroom and hear **Geoff Brokenshire** (EMA Waikato OSH Consultant) talk about the key issues involved in complying with the Health & Safety at Work Act 2015. Learn what you need to know about significant changes to accountability, worker participation and reporting requirements.



Geoff's presentation runs from 10.00am to 11.30am

An Introduction to Xero

We've been working with Xero as a Platinum Partner firm for some time now and have helped a large number of clients get themselves up and running on the Xero software platform. On **Thursday 24 March** in our Te Aroha boardroom we're getting together with Tom Loosely, our Xero account manager, to talk to clients about the benefits of using Xero for their businesses.



We'll be covering the use of Xero in both a farming and non-farming business environment. The session is designed for those who are not currently using Xero but wish to know more before making a decision. There'll be plenty of opportunity to ask questions of both Tom and our experienced in-house Xero experts.

Our XERO session runs from 10.00am to 12.00pm

We're planning a further session for farmers in May that will cover the use of Xero with the Figured farming software.



FOR BOTH THESE EVENTS
RSVP via email before 18 March to
mail@diprosemiller.co.nz

Watch for our advertisement in the Piako Post
Or check our website www.diprosemiller.co.nz

She's On Her Knees !!

Sign and return those resolutions PLEASE!!

Yvonne Avery from Abacus has a plea for clients to sign and return important company and trust resolutions that have been sent out. These are usually posted with the bound financial statements and there are a large number outstanding. The documents play an important role in maintaining the integrity of the entities involved.



**STAFF EXTENSION
PHONE LIST**



**TOLL-FREE
0800 888 055**

Te Aroha

(07) 884 8055

Angela Millward	816	Eric Russell	820	Kylee Elgar	839
Angela Young	819	Erica Rigter	823	Leanne Baird	837
Ann-Marie Sutherland	807	Erin Morgan	817	Lyn Miller	0
Anthony Gray	805	Gail Brown	802	Megan Farac	800
Barbara Jenkins	862	Grant Glover	895	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	Kathy Reily	866	Sharon Coombe	859
Ed Wagstaff	864	Keri Allen	815	Wendy Gwynne	803
Ellie O'Donoghue	868	Kerry Jacobs	830	Yvonne Avery	856

Morrinsville

(07) 889 1018

April Dornan	707	Jo Walton	708	Nicky Kidd	728
Andrew Pullon	703	Joy Craig	700	Nikki Brown	709
Catherine Chaney	714	Kassie Thomas	705	Sandra Green	710
Christine De Ath	721	Kayla Jeffrey	723	Sharon Lawson	729
Deena Hobbs	731	Kristine Nicholas	724	Tonya Whitten	702
Etana Zaguri	730	Lisa Peacock	725		
Euan Lock	711	Lynda Brunton	722		