



XMAS OFFICE HOURS

Our offices will be closing for Christmas and New Year
at **midday** on

Friday 23 December 2016

and reopening on

Monday 9 January 2017

Our directors and staff wish you all a safe
and happy festive season. Travel safely, en-
joy the company of family and friends and
most of all, look after each other.

**“Here’s to the nights when the sand is your
seat, the waves kiss your feet, your friends
outnumber the stars, and even the chilliest of
nights are warmer than the cold one in your
hand.”**

Unknown

THE OFFICIAL NEWSLETTER OF

DM

DIPROSE MILLER
chartered accountants

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EDITORIAL



Well - where has this year gone? I know it's an overused cliché, but for me it does sum up the last twelve months. We're now approaching Christmas with our business and farming sectors looking as positive as I have seen them for several years. Our trades and associated industries have been "flat out like lizards drinking" for the whole year and we are going to see some very good results in their 2016/17 financial statements.



I often discuss turnover targets with clients in the trades and associated industries. Looking at cash flow reports generated for recent GST returns, there's quite a few that have exceeded their original targets. Obviously Christmas is the most important time for our retailing clients so I hope things are going well for them!

It's not just our area or region that is quite buoyant, but the whole country. In saying that, the one bleak spot is Kaikoura. We have a few clients in that area and hope they are receiving the support and assistance they need.

On the dairy farming front, it's good to see the increasing payout after two very tough years. In this part of the country the start to the season was not great, so production is down, but heading into Christmas the farms look fantastic with no hint of a dry spell. I shouldn't speak too soon as that can easily change and it has been quite windy. But hopefully we have turned a corner to better times!

**"Christmas works like glue, it keeps us
all sticking together"**

Rosie Thomas

December is a big month for GST returns and our March balance date clients have provisional tax due in mid-January, so there's not much rest for our staff leading up to the Christmas break! We are always conscious of financial statements and tax returns that are not completed by Christmas and will be giving this work priority at the start of 2017.

I'll be keeping my fingers crossed that the festive season treats you well and look forward to catching up in the New Year.

KB

Get the advice that counts!

In the Community

We're Backing Local Events !

As one of the Piako area's largest private employers, we're proud to play a major role in our local Te Aroha and Morrinsville townships.

Last month we were again the major sponsor for the Morrinsville **"Diprose Miller Fireworks Extravaganza"**. This year we introduced a laser light show for the first time. This proved popular with the crowd and despite it being a little windy, everything went ahead as planned. We're grateful for the support and assistance provided by a number of volunteer community groups on the night.



We are also pleased to be the major sponsor for the **Te Aroha Christmas Float Parade**. This event was "resurrected" in 2015 after a long break and was well-supported by the community. Read about our fabulous Diprose Miller float entry below .

"Afloat" in Te Aroha

No, it's not the latest tsunami to come up the Waihou river, it's the Diprose Miller Ltd entry in the Te Aroha Christmas float parade. A few of the Te Aroha staff have had some fun putting the float together and some were even brave enough to be seen on the back!

Their theme for the float was **"The Kiwi 12 Days of Christmas"** and those watching saw various numbers of pukekos, eels, huhu bugs, pipis, fat pigs, puha and other Kiwi delights. We're thinking it must have been an interesting lunch afterwards!



Check out our website blog and facebook page for photos!

Bet You Didn't Know THIS !!

Research from Xero has revealed that accounting and bookkeeping professionals are seen as desirable partners, ranking higher on the "dateability" scale than other trades including handymen, car salesmen, artists and designers. This revelation comes as no surprise to us, of course, and we're sure that our newest staff member (see right) will agree!



Get the advice that counts !

Exciting Developments

Workshops Work Well

Senior staff members **Ed Wagstaff** and **Kassie Thomas** recently held a series of workshops to provide some hints and tips for clients working with the Xero software product to create invoices and monitor balances owing to/from customers and suppliers. Client feedback was positive, with many staying on after the session to enjoy a light lunch and discuss their experiences with using Xero in their businesses. It's great to have more face-to-face contact with clients!

A similar session based around Xero's payroll has just been completed and we have plans for further regular sessions during 2017. The focus for these will be determined after ongoing discussions with our Xero client users.



What is Forrest Gump's password?

1forrest1

UFB Now Up & Running



Our new Ultra Fast Broadband connection is now operational. It's been a while in the planning and installation, but we're looking forward to reaping the benefits of much faster internet access in 2017. The photo shows the Chorus technician feeding the fibre cable from the roadside to the office.

We've recently featured in a NZ Herald "Local Focus" video article talking about why we decided to take the step of funding our own UFB connection, but it's essentially about being able to provide a better service to our clients. Who would have thought that one small cable would make such a difference !

Feeling Trigger-Happy ?

In **Australia** there are **15** guns per 100 people. This is obviously handy in the outback, not so much in Surfers Paradise.

In **Japan** there are only **0.6** guns per 100 people. Martial arts are the popular weapon of choice, no firearm required.

In the **USA** there are **88.8** guns per 100 people. Must be necessary equipment for a visit to McDonalds, just in case someone pushes in front of you!

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Advice from Abacus

Christmas Headaches

It's that time of the year again when employers have to grapple with the Christmas and New Year holiday arrangements for staff. Abacus Administration Manager **Angela Millward** has some useful tips below and she's ready on **Ext 816** to assist with any other queries and problems you may have.

Important Dates - Public (Statutory) Holidays

1. Christmas Day is observed on either **Sun 25 Dec** or **Tue 27 Dec**
2. Boxing Day is **Mon 26 Dec**
3. New Year's Day is observed on either **Sun 1 Jan** or **Tue 3 Jan**
4. Day after New Year's Day is **Mon 2 Jan**

Employees are entitled to a maximum of **four** public holidays over the Christmas/New Year period.

Which Public Holiday Applies?

If Sunday **IS** normally a working day for the employee, Christmas Day is observed on Sunday 25 December and New Year's Day is observed on Sunday 1 January.

If Sunday is **NOT** normally a working day for the employee, Christmas Day is observed on Tuesday 27 December and New Year's Day is observed on Tuesday 3 January.

Contract Documents Available

Clients may not be aware that we can supply templates for, and assist with completing, a range of farming contracts. Some examples are listed below.

1. Variable order (incl 50/50) sharemilking agreements
2. Contract (lower order) sharemilking agreements
3. Farm, livestock & equipment lease agreements

We can also assist with the preparation of "independent contractor" agreements for both farming and non-farming scenarios. These are an important ingredient in protecting the structure of your business, supporting the tax position you have taken and clarifying the nature of the relationship between the parties.



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The DM Kids' Corner

Kids' Income Tax-Free? No Way, Jose!

We're often asked about the tax status of income earned by children and many clients believe that this can sometimes be non-taxable. In the past, children attending school have been entitled to a "child rebate" concession that has effectively made a certain level of their income tax-free.

However, this has **not** been the case for a few years now and under current legislation **all** income earned by children, regardless of its source or nature, is taxable. If tax (e.g. PAYE/RWT) has not been deducted at an appropriate rate, then a tax return must be filed.



Junior Livestock Traders

We've noticed a few cases where children are rearing calves and selling them in their own names. The sale value, less the cost of rearing, is taxable income and we need details of this to properly deal with the resulting income tax liability in the child's income tax return. Generally there are no GST implications, but you need to check that GST has not been added to the sale price by the purchaser.



Over the next 35 years, more than half the world's births will take place in Africa

Employing Children

Many clients employ school-age children in their businesses as part-time employees, but often don't have a good knowledge of the rules that apply. For example, it is illegal to employ a child under 16 years of age to work during school hours, unless they have an exemption from attending school.

If an employee is under 16 years of age the Minimum Wage Act does not apply and it is lawful to pay that person less than the minimum wage.

A school child can enroll in Kiwisaver, but there is no compulsory employer contribution until the employee turns 18.



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Walking the Walk

It's a Marathon & a Half !!

Te Aroha receptionist **Diane Cooper** tackled her very first marathon last month when she completed the Auckland ASB Marathon walkers' event in just over 6 hours. The 42.2km course started in Devonport, crossed the harbour bridge, ran through to St Heliers and back to Victoria Park.

Diane was well-supported along the way by workmate **Erica Rigter** on her bicycle. They had an early start, taking the ferry to Devonport at 4.20am for a start at 6am. Diane's now set her sights on the New York marathon in 2017 and already has her tickets booked!



Kerry (left) & Sharon

At the same event, fellow Te Aroha staff member **Kerry Jacobs**, together with her sister Sharon, walked her very first half marathon. She's keen to do it all again next year (even the training beforehand) and greatly enjoyed the excellent atmosphere on the day.

Kassie's Biiiiiiiig OE

Escaping the NZ Winter for a European Summer, Morrinsville staff member **Kassie Thomas** and her partner Phil travelled around the UK and Europe for seven weeks in August, stopping in Dubai on the way. The trip consisted of a Contiki for 18 days, followed by travel on their own or with friends.

Special highlights for Kassie were paragliding over Austria and reuniting with one of her best friends at Oktoberfest in Germany.

She experienced some amazing night life, food and scenery and for both of them it was definitely a trip to remember.



Get the advice that counts!

Useful Stuff to Think About

Good Local Direction Required !

Clients with companies should be aware that, to avoid being struck off the Companies Office register, **all companies** must now have at least one director that “**lives in New Zealand**”, i.e. is personally present in NZ for more than 183 days in any 12 month period.

The only exception to this rule is when a director lives in Australia **and** is the director of an Australian company. In this case, details of the Australian company registration must be provided.

WATCH OUT!

Hot Recruitment Tips

If properly carried out, the staff recruitment process will yield an engaged and productive employee. If not, the result can be expensive and time wasting. Here's our tips for **getting it right**.

1. Screen CVs

Match each CV to the job description and remove those clearly not suited. An important consideration during this process is whether the applicant has the legal right to work in New Zealand.

2. Use a Formal Application Form

This provides an opportunity to gather important information and ask critical questions that can easily be overlooked in an interview.

3. Conduct Pre-Employment Checks

Check for criminal convictions and consider a drug test.

4. Contact References

Make sure you check references thoroughly.

5. Make the Most of the Interview

A further opportunity to assess suitability, so follow up on information disclosed in the CV and job application.

6. Offer of Employment & Employment Agreement

Ensure you give the employee sufficient time to consider the offer and review the agreement prior to commencement. This is particularly important when using the 90-day trial period.

For more comprehensive advice on recruitment
contact **Angela Millward** on **Ext 816**

Get the advice that counts !

Staff Happenings

Damien Joins the Team

One of our latest recruits, **Damien Waitai** works with Darren's team and prepares GST returns and financial statements for clients. She's only been in the accounting profession for a short time and has a strong background in education and social services. She is an Accounting Technician (AT), has a Diploma in Business and is currently studying toward a Business degree with the Open Polytechnic.



Damien lives in Paeroa with partner Tama and their three "almost teenage" children who take up most of her spare time .

"Do or do not. There is no try."

Yoda

New Face at the Front Desk

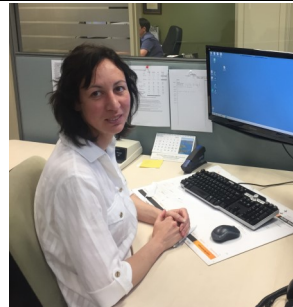


Lisa Reid has taken up the position at the front desk in our Morrinsville office. She recently sold her swim school business that she operated for 11 years, so helping to look after our clients is a big change from dealing with children from six months to 10 years of age.

Lisa lives in Cambridge where she spends her spare time relaxing with family and friends.

Sasha's a Morrinsville Fan

Morrinsville staff member **Sasha Belskaya** moved to New Zealand five years ago. She tells us that Morrinsville, where she has been living for the past year, is the most beautiful town in the world! She has previously worked as a marketing and PR manager for a consulting business. Sasha is a junior accountant in Nigel's team and her interests outside the office include music, travelling and learning the rules of cricket!



Get the advice that counts !

More Interesting News

Inland Revenue Out & About

We've seen plenty of evidence of Inland Revenue's attempt to tighten up tax evasion in the "cash economy". They've been contacting and visiting our clients in the construction and related industries, often with no prior notice and without our knowledge.

Much of this activity has taken place in the Morrinsville and Te Aroha townships and they are asking questions that clearly demonstrate they are seriously targeting those who are not playing by the rules.



If you are approached directly by Inland Revenue, please let us know. It may be useful for us to be involved to provide information and comments in response to their queries.

Global credit card fraud grew 20% between 2014 and 2015, faster than the 15% growth in credit card payments

Charities Reporting

We've now had the opportunity to work with clients who are required to adopt the new "Public Benefit Entity" (PBE) financial reporting standards that apply to all charities for reporting periods starting on or after 1 April 2015. Our work to date has covered entities required to report under Tiers 2, 3 and 4. These vary greatly in content, as outlined below.

Tier 4 Expenses less than \$125k pa

Essentially a "Receipts & Payments" account supplemented by information on amounts owing to and from the entity at balance date and some non-financial commentary on objectives and results.

Tier 3 Expenses less than \$2m pa

The lowest level of "double entry" financial statements with a compulsory "Statement of Cash Flows" report that can be challenging for non-accountants to prepare.

Tier 2 Expenses less than \$30m pa

The content and disclosure requirements greatly increase here, with classifications for "exchange" and "non-exchange" revenue, receivables and payables, assets held for sale, assets available for sale and investment properties. Serious accounting stuff!

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Staff Happenings

Steven's Home at Last !!

We're very pleased to welcome back **Steven Eccles** to our Te Aroha office. He's a local farm boy, born and raised in Te Aroha.

Steven has spent the last few years with Crowe Horwath in Invercargill where he specialised in audit work. As part of his role, he also travelled to Australia and the US for "secondments", giving him experience with accounting issues abroad. Steven is a fully-qualified Chartered Accountant.

Steven will be working with Keith's team, preparing financial statements and GST returns as he settles back into the Diprose Miller environment. He lives in Te Aroha and partner Jennie will be joining him after Christmas. When not working, Steven enjoys travelling, playing sports and sweating it out with the Diprose Miller business house squash team!



Shaken but Not Stirred!

Staff member **Melissa Slattery** is based in Culverden with husband Justin where they operate their sharemilking business. She visited the Te Aroha office recently and shared her thoughts on the earthquake that has affected Kaikoura and the surrounding areas.

Melissa is noticeably pregnant as she and Justin await the arrival of baby number two, a brother or sister for son Ryan. We're guessing that she really doesn't need these additional distractions at such a hectic time, although they are all safe and well.

Baby Joy for April in October

Morrinsville staff member **April Dornan** gave birth to her first child in October. Evalyn Rose weighed 7lb 2oz at birth and both mother and daughter (and father Karl) are doing well.

April is enjoying the fact that Evalyn is a very "cruisy" little girl! We're hoping to see her back at her desk sometime in 2017.



Merry Christmas



Happy New Year
See You in 2017 !!