

the abacus

# Autumn 2017

**WE MAKE  
XERO PROGRESS  
(and we're proud of it!)**



In an important step forward for our firm, we will be using Xero software for all client GST returns and annual financial statements prepared in our office from the start of the 2017/18 financial year.

To get this underway, we'll be sending authority forms to most of our clients asking for these to be signed and returned to enable historical bank transactions to automatically feed into the new Xero files.

Please **sign and return** these documents promptly. If you have any queries regarding the Xero transition, please don't hesitate to contact your advisor.

Clients who are using other accounting software to prepare their GST returns will still be able to do so. This change only applies to reports we will be producing on your behalf **in our office**.

Of course, if you're interested in using Xero in your business, we'd love to hear from you. All our staff are Xero certified and we have advisors who can help you get up and running quickly and easily.

**"I cannot endure to waste anything as precious as Autumn sunshine by staying in the house. So I spend almost all the daylight hours in the open air".**

Nathaniel Hawthorne

THE OFFICIAL NEWSLETTER OF

**DM**

**DIPROSE MILLER**  
chartered accountants

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# EDITORIAL



Ah, Autumn - definitely my favourite time of the year. It's a pity my work's not as up to date as it should be, as this would give me more time to enjoy this fabulous season! However, being an early riser, I'm looking forward to the end of Daylight Saving and getting up to some "lighter" mornings, at least for a while.

A big **thanks** to all our staff for the wonderful effort they have put in over the current financial year. There have been quite a few extra hours put in by some of our key people to meet various deadlines and this has certainly been appreciated by the directors.

From a business perspective the country appears to be ticking over reasonably well. There's still plenty of new houses being built, keeping the trades and associated support industries busy. From what I gather, builders much prefer to be building new homes rather than crawling through ceilings and under floors to repair older properties.



We're very aware that retailers are struggling, especially in the smaller communities. When we're out shopping, we try to remember to buy local when we can, and hope you are doing the same. Investors' returns are quite static, with interest rates remaining low, although those of you who have invested in real estate would be very happy with current trends.

**A consultant is a man who knows 157 ways to make love, but doesn't know any women.**

**Anonymous**

Our farming community in the Waikato/BOP region finally copped some decent rain in late February and early March which will provide a happy ending to the season. Milk payout can best be described as "acceptable", but we're looking forward to seeing positive results for 2016/17 on the back of two poor years.

Finally, once we clear Easter it will give us time to re-group and plan our workload for the 2017/18 year. Thanks for your continued support and we'll be talking with you soon.

**KB**

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# In the Community

## Standing Proud in the Parade

Diprose Miller staff once again featured in the Te Aroha Christmas Parade. Our float adopted the theme “**The Kiwi Twelve Days of Xmas**” and won the award for best in the Business category.



A number of the staff spent many hours of their pre-Christmas leisure time putting the float together, but in the end it was worth it, with everyone enjoying the experience and setting the scene for a well-deserved Christmas break.

**“Remember that the happiest people are not those getting more, but those giving more.”**

H Jackson Brown Jr

## Supporting the Lifesavers

We were pleased to sponsor the **Whangamata Barrys** team at the recent Under-23 Surf Lifesaving Nationals held in Christchurch.



The guys did themselves proud, bringing home gold in the long course event and silver in the short course. It's exciting for us to have the opportunity to encourage excellence in this sport, given the popularity of NZ's beaches and the difference these well-trained volunteers make.

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# Exciting Developments

## Sharon Gets to the Top!

**Congratulations** to Te Aroha staff member **Sharon Coombe** who recently qualified as a Chartered Accountant (CA). She's extremely pleased to put an end to fitting in many years of part-time study around working full-time and looking after a young family.

Over her many years of part-time study, Sharon has seen a number of changes to the CA entry criteria and sat through some very long examinations. Now she'll need to find another (hopefully more exciting) hobby, although hubby Allister and the girls will be pleased to have Sharon back on the "ranch" more often.



When asked what her advice would be to young people entering the accounting profession, Sharon's response was ***"go to University and get the damn thing done all in one go"!!***

**"Watch your thoughts, they become words.  
Watch your words, they become actions.  
Watch your actions, they become habits.  
Watch your habits, they become character.  
Watch your character, it becomes your destiny."**

Lao-Tze

## Poncing Around . . .

Hot on the heels of his recognition as a Member of the NZ Order of Merit in 2016, Diprose Miller "founding father" **Kelly Diprose** was invited to the 2017 Waitangi celebrations at Government House and travelled down to Wellington with the Moroccan ambassador.



**Kelly meets his long-lost brother**

As always, Kelly was only too happy to share his valuable insights with the Governor General, Prime Minister and various other important people. We're pretty sure that raising the age of eligibility for the National Super was actually Kelly's idea, right?

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# Advice from Abacus

## New Minimum Wage Rates

From 1 April 2017 the minimum adult wage rises from \$15.25 per hour to **\$15.75** per hour. This applies to all employees aged 16 years and over except for new entrants and employees subject to the minimum training wage (see criteria below).

The minimum starting-out/training wage rises from \$12.20 per hour to **\$12.60** per hour. This applies to 16 and 17 year-olds in their first six months of work with a new employer, plus other employees under 20 years of age coming off a benefit or in a recognised industry training course. Contact our office for details.

## No Change to ACC Earner Premium

There is no change to the ACC Earner Premium levy for the 2018 year. It remains at **1.39%** of gross earnings and covers the cost of **non-work** accidents for all employees.

## Changes to WT Tax Code

The rules around **schedular payments**, for which the “WT” tax code is normally used, are changing from 1 April 2017.

1. Most contractors will now have the ability to **elect** their own withholding rate, subject to a minimum of 10% and provided they supply their name and IRD number.
2. A new standard rate of 20% is available for contractors who wish to have **voluntary** tax deductions made by the payer.
3. The “No Declaration Rate” is changing to 45%.

Remember also that contractors for which a WT tax code is used should **not** have deductions made for Kiwisaver.

**People should stop hating on Lance Armstrong. He WON 7 Tour de Frances while on drugs. When I'm on drugs, I can't even FIND my bicycle!**

## New IR330 Applies from 1 April

Employers, be aware that an updated IR330 **Tax Code Declaration** form applies to both employees and schedular payment contractors from 1 April 2017. Make sure that you use the updated form for all new employees and contractors.

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# Changes Ahead

## Updated Trustee Service

Significant changes to trust law soon to be enacted clarify the current legislation and establish a number of mandatory and default trustee duties. As our directors act as professional trustees for a large number of client trusts, either through our trustee companies or personally, it's very important for us to both understand and comply with these changes.

The draft legislation introduces the concept of a “qualifying beneficiary”, a beneficiary who has a reasonable likelihood of receiving trust property, and new rules regarding the provision of trust information to beneficiaries. There will be minimum disclosure and reporting requirements to be met to protect the trustees' position and the benefits a trust can provide.



To protect both ourselves and our clients we are introducing new professional “Terms of Engagement” that will apply where we are asked to act (or continue to act) as the professional trustee for client trusts. During the 2017 year we will be asking clients to sign and return a document outlining these terms to acknowledge their understanding of our role. There will also be an annual fee to cover the additional work required to comply with the new rules.

We're happy to take any queries you may have regarding the law changes and the new Terms of Engagement. Rather than comply with the new regime, some clients may decide that their trust(s) no longer serves any useful purpose and should be wound up. Either way, there will be some interesting discussions!

## Inland Revenue Takes “AIM”

Inland Revenue hopes to simplify taxpayer compliance costs with its new “AIM” (**A**ccounting **I**ncome **M**ethod) system. This involves using data from a taxpayer's (or accountant's) own accounting systems to pay provisional tax based on actual earnings as the financial year progresses.

This approach will be optional, but will likely involve more frequent provisional payments and Use of Money Interest will not apply if the method is correctly applied. We'll keep you informed on this development.



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# Things to Think About

## Beating the Odds Outside the Casino

Here's some interesting information on current activity in the **non-casino** gambling sector.

1. Every year around **\$300m** is returned to the community from the proceeds of gambling on gaming machines in clubs/societies.
2. In 2015, there were 16,291 grant recipients, with **42%** of profits from gaming machines being distributed to the community. The balance of gaming profits is spent on gaming duties (23%), venue/society costs (30%) and enforcement (5%).
3. A total of 26,500 grants were made during 2015. Of these, 21,500 were for less than \$10,000 in value.

### Top 4 Recipients in 2015

Racing Integrity Trust	\$5,800,000
Canterbury West Coast Air Rescue Trust	\$3,900,000
Auckland Rugby Union Inc	\$2,800,000
Supreme Sikh Society of NZ	\$2,500,000



### Top 4 Operators in 2015

Society	Venues	Machines	Gaming Profits
NZ Community Trust	149	2,020	\$113,097,433
The Lion Foundation (2008)	128	1,726	\$91,593,950
Pub Charity Limited	135	1,712	\$87,596,115
Trillian Trust	41	616	\$39,272,555

## We Want Your RD1 Statement !

A reminder to farming clients to make sure that, when sending in papers to our office for GST return preparation, you include the monthly RD1 statement, even in months where there is no dairy company payment.



Even if you are registered on a payments basis for GST, expenses charged to your RD1 account are claimable in the month they are **charged**, not the month they are deducted from the dairy proceeds.

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# End of the Year Again

## March Balance Date?

Clients with March balance dates will be receiving our annual Client Questionnaire forms in the mail this month. We'd greatly appreciate you taking the time to work through the information requested in the checklist and getting this to us as soon as you can. This makes it easier for us to schedule work, especially in the early part of the new financial year.



If you're not sure what is required, our staff are very happy to hear from you with any queries you may have. Preparing annual statements is always easier if all the information is at hand from the start!

**"Cheers to a new year and another chance for us to get it right."**

Oprah Winfrey

## No Change to Income Tax Rates

There are no changes to the income tax rates for the 2017/18 year.

**An accountant is having a hard time sleeping and goes to see his doctor. "Doctor, I just can't get to sleep at night." "Have you tried counting sheep?" "That's the problem – I make a mistake and then spend three hours trying to find it."**

## Pause to Take (Live) Stock

We know it comes up every year, but we can't ignore the fact that reconciling the movements in our farming clients' livestock numbers during the financial year often creates headaches for both our staff and our clients when annual financial statements are prepared.

If you are farming with a March balance date, please do your best to provide a reconciled summary of livestock movement on the **GREEN FORM** that has been sent out to you recently. We ask that you complete the form as close to 31 March as possible, so get out there now and give it a go! At the very least, we need an accurate tally of all livestock owned on 31 March.



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# Staff Happenings

## A Milestone for Simon

Morrinsville staff member **Simon Germann** recently completed his Bachelor of Applied Management majoring in accounting. He's in the process of taking a few months break from the rigours of balancing study with work before starting on the path to his Chartered Accountant designation later this year.

Simon tells us he is very grateful for the support he's had from our directors and staff since he joined us last year. He's set himself a target of three years to complete the Chartered Accountant programme - no easy feat considering he is still mastering his role at the Morrinsville office. **Good luck Simon!**



## Give That Man a Certificate !!

It's fair to say that Te Aroha staff member **Murray Whittaker** has taken some time to come to grips with using the new Xero software to prepare client GST returns and financial statements.



More than a few staff have experienced the colourful language he's been using to express his frustration at things "just not working the way they used to".

At our "Secret Santa" event just before Christmas, Murray was awarded a special Xero certificate to acknowledge his newly-acquired skills. However, the certificate came from a Weetbix packet and confirmed him as being Xero "**Petrified**" rather than "Certified"!

## A Busy Time Down South

Our warmest congratulations to staff member **Melissa Slattery** and husband Justin who recently welcomed son Connor to their growing family.

Born in mid-January and weighing in at 8lb 13oz, Connor is a brother for Ryan and was born on Oma Jayne's birthday. Now back to work, Melissa!



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# Special Events

## One for the Farmers



DairyBase



Together with DairyNZ, Diprose Miller Ltd is hosting a workshop for farmers titled **"Bringing Dairybase to Life"**. This session is designed for dairy farmers interested in connecting their farm systems decisions with their financial and physical information.

Hosts **Euan Lock** and **Phil Irvine** intend that participants will leave the session having identified specific areas in which they are strong, plus some areas to work on to improve their bottom line. Check out the programme at [www.dairyevents.co.nz](http://www.dairyevents.co.nz) or on the Diprose Miller Facebook page.

## Don't Be An Ostrich !!

Together with HazardCo and WorksafeNZ, we recently held a workshop for clients to assist them in complying with the new Health and Safety at Work Act 2015. Even though this legislation has been in effect since April 2016, many clients have not taken the opportunity to ensure that their workplaces are compliant with the requirements of the Act.



The most common problem both commercial and farming clients had with compliance was understanding the extent of their liability under the new legislation and knowing where to start. They were told that the core to compliance involves creating a plan and making sure you are putting it into practice. The approach WorksafeNZ are taking focuses on "proactive assistance" to improve compliance, rather than looking to penalise non-compliance. They're happy to visit clients to provide advice and their services are free.

Clients looking for assistance with workplace health and safety compliance can feel free to contact our Health and Safety specialist, Te Aroha staff member **Ellie O'Donoghue**, on **Extension 868**.



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# Staff Happenings

## Up from the Deep South

New Morrinsville staff member **Jennie Cushen** has recently moved from Invercargill to join her partner who returned to work in the Waikato at the end of 2016.

She has an interesting work history, from hospitality to serving in the NZ Army. After deciding on accountancy as a career, Jennie has been busy studying and will have completed her Chartered Accountant registration study by the end of this year. She's working as part of Tony's team, preparing GST returns and financial statements for clients.



When not working, Jennie enjoys road cycling, cooking, quilting and walking her Border Collie. She's starting to get to know the Morrinsville area and having fun meeting new people.

**A new nurse listened while Dr McWilliam was yelling, "Typhoid! Tetanus! Measles!" and then she asked another nurse, "Why is he doing that?" The other nurse replied, "Oh, he just likes to call the shots around here."**

## Euan is Un-Locked !!

Morrinsville staff member **Euan Lock** has decided to take a break from the accounting profession and has accepted a role as a Consulting Officer with DairyNZ. A former farmer, Euan spent most of his years with us gaining his Chartered Accountant qualification.

Obviously the lure of the land was too much for Euan, but he's looking forward to putting his accountancy skills to good use in his new position, which will involve regular contact with farmers to discuss and assist with using financial information to improve their bottom lines and make the most of available farming resources.

Given that he'll now be sporting DairyNZ corporate clothing, we'll need to put his pink lunchbox up for auction once he's gone, but we wish him all the best in his new career. **Good luck, Euan, we'll miss you.**



**P.S. Thanks for the pizzas !!**

# We Want Your Feedback

The Abacus aims to keep you informed about what's happening in our business. We try to provide updates on important and relevant changes to tax and related business issues without putting you to sleep. On the non-technical side, our staff are our most valuable asset and we're proud to acknowledge their achievements.

Hopefully there's something of interest for everyone, but we're always happy to hear feedback and suggestions from our readers. Email us at [mail@diprosemillers.co.nz](mailto:mail@diprosemillers.co.nz) or just phone reception with your comments and ideas.



## STAFF EXTENSION PHONE LIST



**TOLL FREE  
0800 888 055**

### Te Aroha

**(07) 884 8055**

Angela Millward	816	Ellie O'Donoghue	868	Kylee Elgar	839
Angela Young	819	Eric Russell	820	Leanne Baird	837
Ann-Marie Sutherland	807	Erica Rigter	823	Lyn Miller	0
Anthony Gray	805	Erin Morgan	817	Megan Farac	800
Barbara Jenkins	862	Gail Brown	802	Michelle Way	858
Chelsea Grace	814	Grant Glover	895	Murray Whittaker	829
Damien Waitai	865	Joann O'Donoghue	813	Phillip Legg	821
Debbie King	832	Judith Borrie	804	Robyn de Boer	827
Deborah Young	831	Kathy Reily	866	Sharon Coombe	859
Diane Cooper	899	Keri Allen	815	Steven Eccles	835
Ed Wagstaff	864	Kerry Jacobs	830	Wendy Gwynne	803
				Yvonne Avery	856

### Morrinsville

**(07) 889 1018**

Andrew Pullon	731	Jo Walton	708	Nikki Brown	709
Dan Howard	733	Joy Craig	727	Sandra Green	710
Deena Hobbs	703	Kassie Thomas	705	Sasha Belskaya	714
Etana Zaguri	730	Kayla Jeffrey	723	Sharon Lawson	729
Harjot Singh	724	Linda Harding	722	Simon Germann	725
Jennie Cushen	736	Lisa Reid	700	Tonya Whitten	702