

DM  
DIPROSE MILLER  
chartered accountants

.....

# DOING MORE.

The Diprose Miller Newsletter | Summer 2020.

## XMAS MESSAGE

Our directors and staff wish all our clients, suppliers and professional colleagues a fun-filled and relaxing festive season.



## CRUISE-IN DISPLAY WINS AGAIN



This year's Aroha Cruise-In event was very popular, despite the shadow of Covid-19 lingering over the country. Our office display was again judged the best business display, so the famous trophy didn't need to move this year!



This event is the most significant in the local calendar and does a great job promoting the Te Aroha township. The weather was, once again, most co-operative and played its part in ensuring a fun time for all.

## NEW TE AROHA RECEPTION HOURS

Our Te Aroha office doors and phone service now close at 4.30pm. You're still able to drop off papers in the slot by the front door, which is cleared every morning.

# EDITORIAL



It seems we're getting used to our new 'normal' after the battering of Covid-19. Thank you for your ongoing support during 2020.

I'd also like to thank our staff for their efforts over the last nine months. We're in good shape in terms of work completed at this stage of the accounting 'season'. Over winter and spring there wasn't a great deal of client

activity outside of people carefully operating their own businesses. We're now starting to see clients looking for opportunities to grow their businesses and take some risks.

In looking at the various sectors we're involved with, obviously investors are being hit hard. They're struggling with extremely low interest rates and in some cases will be eating into their capital. Some of the pressure on house prices comes from investors looking for returns above those available from bank deposits. There doesn't seem to be any indication that interest rates will be rising any time soon.

It's great to see farming to the forefront again in NZ after testing times a few years ago. 2019/20 was a good season for

most and it seems that result will be replicated in 2020/21. Although it's still early days, as advisors we need to monitor closely whether 2020/21 matches up to the previous season in terms of production, milk price and control of farm expenditure. There's no point having our clients paying provisional tax only to have a good portion of it refunded a year later.

While retail continues to be tough going, other trades are flying along.

To all our clients, we'd like to extend our best wishes for the upcoming festive season. Remember, you have our mobile numbers if you need to talk to us.

## CONGRATULATIONS TO OUR COMPETITION WINNERS



**Melissa**  
St Josephs TA  
Age 11



**Sheina**  
St Josephs Morrinsville  
Age 10



**Milly**  
St Josephs Morrinsville  
Age 6



**Grace**  
Elstow Playschool  
Age 4

# NEW TRUSTS ACT JUST ABOUT WITH US

## HELPING CLIENTS UNDERSTAND THE KEY ISSUES

In November we invited our trust clients to an evening presentation on the key aspects of the new Trusts Act 2019 which comes into force at the end of January 2021.

At the presentation our clients heard from Marcus Diprose, an experienced trust specialist, on the issues that they need to be aware of to ensure compliance with the new Act. Marcus is a qualified solicitor and accountant, so he was well-placed to answer the queries that arose from his presentation.

There was also an opportunity for clients to ask questions about the impact of the new legislation, which outlines some very specific responsibilities of trustees and rights of beneficiaries.

We were excited with the response from clients, with around 100 people attending and many others asking to receive a copy of the seminar recording.

There were a number of key issues covered at the session:

1. The need for clients to make sure they understand the terms of their trust deed and know where all the 'core trust documents' are located
2. The suggestion that clients take the opportunity (before the new Act comes into force) to review whether their trust is still relevant and necessary for the future
3. The need to prepare for the initial mandatory disclosure to beneficiaries:
  - a. Informing all beneficiaries in writing that they are beneficiaries of the trust
  - b. Providing beneficiaries with the names and contact details of all trustees
  - c. Advising beneficiaries that they are entitled to request information about the trust.

**"We are, after all, only trustees of the wealth we possess. Without the community and its resources there would be little wealth for anyone."**

John Ruskin

## KEEPING YOU UP TO DATE

### INLAND REVENUE BROADENS RULES ON SMALL BUSINESS CASHFLOW LOAN

The government is making some useful changes to the terms of the Inland Revenue Small Business Cashflow Loan. These are clearly designed to assist businesses in coping with the ongoing impact of Covid-19:

1. The loan can now be used for **capital expenditure** as well as operating costs.
2. The interest-free period has been extended from one year to **two years**.
3. Applications can now be made until **31 December 2023** (previously 31 December 2020).

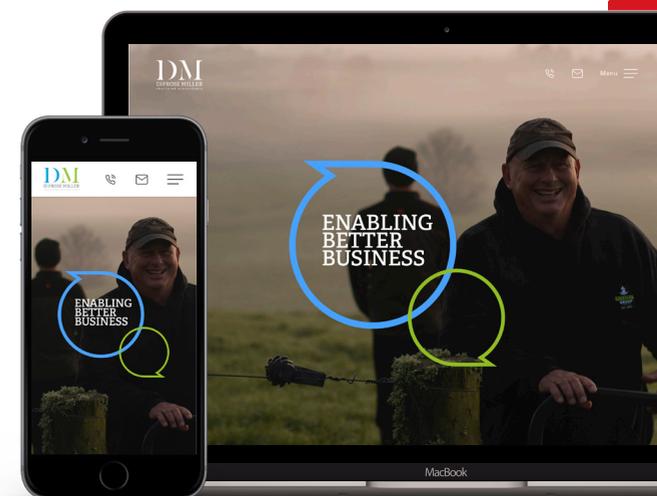
Other terms of the loan remain as they were:

- It's available to businesses with 50 or fewer full-time equivalent employees.
- Applicants must have been in business on 1 April 2020 and experienced a 30% decline in revenue as a result of Covid-19 restrictions.
- The maximum loan amount is \$10,000 plus \$1,800 per full-time employee. Only one amount can be drawn down.
- The loan period is five years and the interest rate (if applicable) is 3% from the date the loan funds are advanced.

## NEW WEBSITE

We're excited to announce the arrival of our new Diprose Miller website, which is now live. We're very pleased with the result, which does a much better job of telling readers what we are all about.

The new website introduces our core guiding principle of 'Enabling better business'. This drives our relationship with clients and the qualities we seek to demonstrate in the way we conduct our business.



# HR & PAYROLL NEWS

## DEALING WITH STAFF DURING LOCKDOWN

The Employment Relations Authority (ERA) has provided its second decision relating to employment arrangements in the Covid era. The approach taken by the Authority clearly indicates that attempts by employers to vary the written terms of employment may be harshly dealt with.

Provided that employees are “ready, willing and able” to work, an employer cannot use events outside the parties’ control (such as the Covid lockdown restrictions) to pay a lesser amount to employees than they would normally receive. However, any such changes to employment terms agreed to in writing by both parties after a fair consultation are acceptable.

The ERA decision is being challenged, but employers would be unwise to ignore the implications of the decision until such time as it is (possibly) overturned.

If you need advice on working through a suitable consultation process in a lockdown environment, please contact us.

## XERO PAYROLL SET-UP – DON’T GET IT WRONG!

A growing number of clients are now using the Xero Payroll software product that integrates with the Xero accounting file. These clients generally find the regular payroll runs a relatively straightforward process.

However, the successful use of the software also requires that certain set-up issues be dealt with very carefully. If this is not done, the resulting calculations and reports can contain errors that can be embarrassing and difficult (expensive) to correct. Often the errors created by incorrect set-up process are not noticed until much further down the track.

Two common examples of setup problems are:

1. The incorrect choice of nominated ‘clearing accounts’ for PAYE and net wages that control the link with the accounting software, and;
2. Incorrect set-up parameters being used for casual staff.

We’re very happy to assist clients to make sure that they get their Xero payroll correctly set up so that any potential issues are avoided. To discuss this option, please contact our office.

## KNOW YOUR MINIMUM SICK LEAVE OBLIGATIONS

Here’s some reminders on the finer points relating to sick leave entitlement for employees:

1. All part-time and casual employees are entitled to a minimum 5 days sick leave after six months continuous employment OR 6 months non-continuous employment with an average of 10 hours per week OR at least 1 hour in every week (or 40 hours in every month during the six months)
2. Sick leave can be used if the employee, members of their immediate family or dependents are sick or injured
3. Employers can agree to provide more than the minimum 5 days sick leave. This must be written in the employment agreement
4. Sick leave may not be ‘cashed up’ or be part of any final payment on leaving, unless specified in the employment agreement
5. You do not have to give your employees paid time off to visit the doctor or dentist unless their employment agreement provides for this, although an employee can ask to use sick or annual leave for this purpose

6. You can ask for a medical certificate if an employee has been absent for 3 or more days. If you require a certificate for less than 3 days, you can request this, but must pay for the doctor’s visit

7. Sick leave is only paid for any day that an employee would have worked if they were not sick.

And finally, remember that during all Covid alert levels, all employment health and safety laws still apply.

# STAFF HAPPENINGS

## A MARATHON EFFORT

Te Aroha Staff members **Dianne Cooper** and **Erica Rigger** completed the Virtual London Marathon event in October. They walked 42.2km from Matamata to Te Aroha, with a little extra walking around Matamata needed to make up the required full marathon distance.

They were accompanied for parts of the walk by workmates **Rae Brus** (all the way on her bike), **Steven Eccles** and **Robyn Stewart**.

The medals they're showing off in the photo help to make up for the disappointment of Dianne not being able to travel to London in April and participate in the event as it would normally be held.



## THERE'S (ALMOST) NOTHING LIKE PASSING YOUR EXAMS

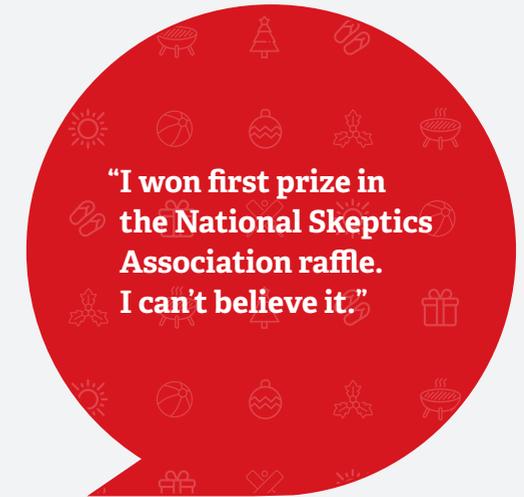
Big congratulations to **Megan Farac** and **Jo Scherer** who have both recently studied for and passed their exams for the ethics component of their Accounting Technician qualification with CAANZ, our governing professional body. They're now waiting for their membership to be confirmed.



## OFFICE SWEEPSTAKES

As we look after a few horse racing/training clients we usually hold an office sweepstake for the Melbourne Cup. Not as good as being there, but our entertainment budget doesn't quite stretch that far.

We had a draw to select the horses at morning tea, with the grand sum of \$72 up for grabs. This year's lucky winners were **Robyn Stewart** and **Lyn Miller**. It was interesting to note that **Murray Whittaker** managed to end up last (and got paid for this) in both sweepstakes. So it's no surprise that he's an accountant and not a jockey.



## SANCTUARY WALK

At the end of October a group of 20 staff members and partners enjoyed a guided tour of part of the Sanctuary Mountain Maungatautari 'ecological island' near Cambridge. Operated by the Maungatautari Ecological Island Trust, a not-for-profit organisation, the sanctuary relies on the generosity of funders and the proceeds from visitor experiences to cover its operating costs.

It was an interesting morning, with many of our group unaware of the special nature of the sanctuary and the work required to keep it pest-free, including the maintenance of 47km of perimeter fencing.

The tour was followed by lunch at the Rhubarb Café in Arapuni. It was yet another successful outing arranged by our hard-working Diprose Miller Social Club committee.

# REMINDERS

## HELP US TO HELP YOU

If you buy or sell property using a solicitor, please provide us with copies of the associated agreement and solicitors' settlement documents as soon as possible after settlement. If they email this information to you, we suggest you forward it directly to us.

This will allow us to have the correct information on hand when preparing GST returns, particularly where there is GST payable or a GST refund available. It is not always easy for us to get this information directly from the solicitor at short notice.

## GST REMINDERS VIA TEXT MESSAGE

An increasing number of our clients are now receiving mobile phone text reminders to provide us with papers for GST processing when GST returns are due. We've found this to be a much faster and more effective process than sending reminders by postal mail. If you currently receive postal reminders and are happy to receive a text in future, please let us know by sending an email request to [mail@diprosesmiller.co.nz](mailto:mail@diprosesmiller.co.nz) or by phoning our office.

## FOLLOW US ON FACEBOOK



Did you know Diprose Miller is on Facebook? We do our best to post relevant and timely information that is a mix of both business and more social activities. We're keen to have your feedback on our content so that we can continue to make it interesting and informative.



## XERO TIPS FROM OUR STAFF



## USING THE XERO FILES LOCATION TO STORE DOCUMENTS

Many of you are familiar with uploading files (invoices, etc) to be attached to a transaction in Xero.

However, Xero also has a 'Files' location that allows users to upload and store files that aren't specific to a particular transaction. Once uploaded, these files can be viewed easily at any time. Files stored in this location can also be sorted into folders created by the user.

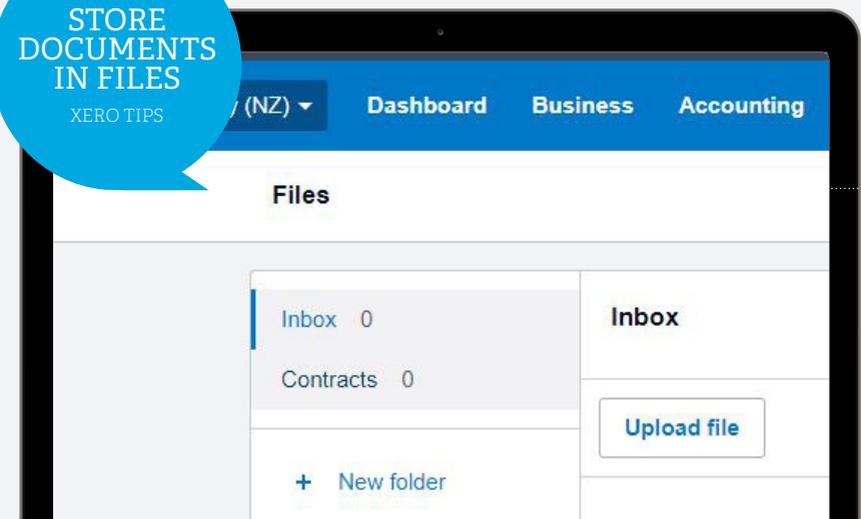
This option is very useful for documents such as employment agreements, insurance policies, minutes of meetings, lease and hire purchase contracts, quotes and other similar documents. It provides a handy backup for important information that can be easily accessed from any device simply by logging into your Xero file.

To make things even easier, the Xero Files location has an 'Inbox' email address. When emails containing documents are forwarded to this address, any attached documents will be automatically uploaded to the Inbox section of the Files location. From the Inbox, files can be dragged and dropped into other folders, renamed or deleted. Alternatively, email attachments can simply be dragged and dropped directly from the email software into the required folder in Xero Files.

The Inbox email address is shown in the top right corner of the Files screen in Xero. The Files screen is accessed from the entity name at the top left corner of the main Xero screen.

Xero Files is also a great place to upload documents we will need to prepare your annual financial statements.

STORE DOCUMENTS IN FILES  
XERO TIPS





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