

# Accountable News

December 2008

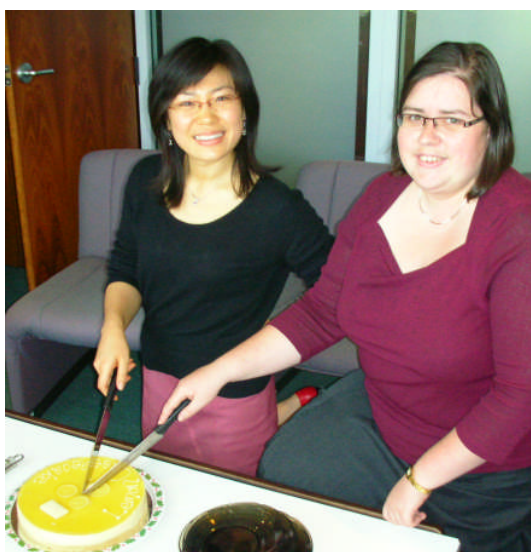
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## CONGRATULATIONS

We begin this newsletter by sharing with you some exciting news concerning two members of our team. Kate Yan and Elizabeth Hislop have just successfully passed the final Professional Qualifying exam in order to become a Chartered Accountant.

You may remember last year we congratulated Kerry Adams for the same achievement. As we said then this is one of the toughest exams to be found anywhere in the world and many accountants struggle to gain the required marks. This makes Kate and Elizabeth's achievements all the more rewarding.

Like Kerry last year both Kate and Elizabeth have worked extremely hard throughout the year both inside and outside of work. They have put in a lot of time and effort and we are pleased this has been rewarded.



We are extremely proud of Kate and Elizabeth's success and lucky to have them on our staff.

## Quote

*There's only one corner of the universe you can be certain of improving, and that's your own self.*  
- Aldous Huxley.



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## Business Tip

*Being vigilant and paying attention to individuals and the environment can help you create a healthy workplace.*

## FunRazor

**Dodd & Associates is proud to announce their participation in Funrazor 08!**

In support of children with cancer members of our team will be shaving their heads to raise money for the Child Cancer Foundation.

**Kerry Adams  
Rachael Stewart  
Elizabeth Hislop**

have all volunteered their hair for this great cause. There is also talk of **Neville and Claire Dodd** going as far as a close number two shave!

If you would like to support us by donating you can go to the below link or send your donation to us here at PO Box 1621, Christchurch. Please note all cheques must be made out to Child Cancer Foundation.

[www.fundraiseonline.co.nz/  
BaldBeanCounters](http://www.fundraiseonline.co.nz/BaldBeanCounters)

We know that pockets are stretched at this time of year so we would appreciate even hearing of your support.

The shave will be taking place on the 12<sup>th</sup> of December so if you're in the area after this date be sure to stop by and check out the new look of the Dodd & Associates team!

This is great campaign being run by the Cancer Foundation for children in need and we are proud to be supporting them.

## Failed Finance Companies

With finance companies rapidly collapsing and investors being caught with bad investments we have received a number of questions as to whether the lost investment can be claimed as a deduction for income tax purposes.

At the time that the sharemarket collapsed in 1987 Inland Revenue lost a number of court cases and such investments could be claimed as a deduction. However Inland Revenue have taken the initiative and issued a press release regarding the finance companies.

They have stated "most investors in failed finance companies will not qualify for a tax write-off". They have gone further and said any interest income earned but not physically received must be declared as income and no loss deduction is available for the interest not received.

We will monitor this decision by Inland Revenue and keep you informed of any developments. If you want a copy of the press release please advise and we will send one to you.

## Staff Changes

As we move into the new year we do so with just a couple of changes to our staff.

After two and half years of outstanding service and the birth of her first child in September Rowan has decided it is time for a change in direction. It is with sadness that we say goodbye to Rowan, we wish her every success in the future.

Kate Mitchell has moved into her role as Executive Officer and looks forward to working alongside Neville and giving him all her support.

We also farewell our intern Kate Campbell who has been a great help throughout the year. We wish her all the best for the future as well.

On a brighter note we welcome a new intern, Anna Morris. Anna will be in her final year of study next year as she completes a double degree in Accounting and Psychology. We are extremely pleased to have Anna on board and look forward to celebrating more exam success next year.

## Who to Pay

With the state of the economy at the present time cash flow is becoming a problem for many people. We thought it timely to set out some guidelines for you to consider when deciding how best to utilise available cash.

**1. Pay Inland Revenue** – remember they are a large Government organisation and will have no hesitation in asking the courts to put your business into liquidation or you into bankruptcy. It is also very important to remember that GST and PAYE never belongs to you in the first place, you are simply collecting it on behalf of Inland Revenue and passing it on. In the most serious situations you may even end up serving time in prison. If you really can't pay any form of tax on the due date, ALWAYS FILE THE RELEVANT RETURN on time. There is no point incurring penalties for not filing in addition to late payment penalties and Use of Money Interest. Inland Revenue penalties are very harsh in that they accrue on a monthly basis and are compounding, so depending on the type of tax they can double or triple the original payment amount in the space of a couple of years. And last but not least – if you are struggling to meet payments on a regular basis have us apply for an instalment arrangement as soon as possible. Use of Money Interest continues to apply but penalties will be reduced if you adhere to the terms of the arrangement and meet all future filing and tax payment commitments.

**2. Pay your accountant to survive** – most people need help from us when they face financial difficulties. We have been strictly enforcing our credit policy for some time now in order to ensure our business survives these tough times. If you don't pay us we will put you on stop credit and will not be doing any work for you until we have been paid in full. That means no liasing with Inland Revenue on your behalf, no preparation of interim financials for loan applications and no calculation of PAYE, GST or income tax returns meaning you may fall into the trap of not filing returns on time and facing extra penalties. If we feel slow or non-payment of our accounts could become an ongoing problem we will ask for at least a partial payment prior to commencing any work for you.

**3. Pay your lawyer** – for similar reasons you may need legal advice in order to help sort out your finances or come to an arrangement with creditors in order to avoid liquidation. Most lawyers will have a similar credit policy to accountants. In this day and age no-one can risk doing work and not getting paid. If you have a history of not paying on time your work will not be given top priority.

## CHRISTMAS HOURS

This year we will be closing our office on **Tuesday 23rd December** and reopening on **Monday 5th January**.

*Everyone at Dodd & Associates wishes you and your families a very happy and safe Christmas and a prosperous New Year, and we look forward to seeing you in 2009.*

