

DAA Bulletin

Quote

“Money can't buy you happiness... but it does bring you a more pleasant form of misery”

- Spike Milligan



DODD AND ASSOCIATES LTD
CHARTERED ACCOUNTANTS

The ANZ National Bank Limited

- Christchurch Home Rebuild Package

You may have heard that ANZ and National Bank are offering a special package to new and existing clients going through the process of building or renovating. This includes a \$1000 kick start and a reduction off their one year fixed rate.

If you would like more information let us know. The offer expires on June 30 so don't delay.

Please Help Us to Help Others!

Dodd And Associates Limited wants to join forces with a charity to help those less fortunate than ourselves but we need your assistance.

Being Chartered Accountants there is no charity that stands out, with the only criteria being that our staff would like to support a local charity so that we can see the benefits rather than just being a “drop in the bucket” of a larger national organisation.

As a starting point we have chosen five local charities that fit the criteria. A brief overview of each is given below.

Just Dollars Trust

Helping people in Canterbury on low incomes, who can't access bank finance, generate income and employment through self-employment. Just Dollars operates against a background of apparent acceptance of structural unemployment and low levels of benefit income.

Life Education Trust – Canterbury

Life Education children learn from a young age that never before in time and never again in time will there be another person like them, they're special; that their brain and body are magnificent; what the body's needs are; and that we all need to give respect and support to each other.

LifeLine Christchurch

Lifeline counsellors are trained to offer emotional support in times of crisis. The calls continue to be very complex, some common themes include: anxiety, depression, relationship issues, abuse/violence, mental illness, life direction, suicide and loneliness. They are able to provide services to mobile calls and also people from more isolated areas.

Dogwatch

Rescue dogs from the pound, pay registration and chipping fee and return with the rescued dog(s) to their sanctuary. They take legal ownership of the dogs and they are cared for by volunteers at a purpose built Adoption Centre until they find a loving and responsible home.

Cats Protection League

The Aims of the League are:

- To relieve the suffering and distress amongst cats and kittens, including the provision of food, shelter and veterinary assistance;
- To encourage owners of cats and kittens to have their animals spayed and neutered;
- To find suitable homes for healthy stray cats and kittens;
- To provide for the humane destruction of cats and kittens when necessary;
- To give advice and help to owners of cats and kittens and promote public awareness of the need for spaying and neutering

If you have any other suggestions we are open to hearing them. In order to decide whom to support this year, visit us on Facebook (<http://www.facebook.com/FORDAA>) to vote for your favourite choice. Alternatively send an email to Kate (katem@dodd.co.nz) with your preference.

Wills

We are concerned about the number of people who do not have a current last will and testament or, for that matter any will. The consequences of both circumstances can be horrific for surviving family. At the very least the legal costs that need to be met by the estate will be huge but the ramifications only really start there. None of us know when the fateful day will come so if you are in the category of not having a will or having one which no longer reflects what you want to have happen we urge you to make an appointment with us or your lawyer as soon as possible.

Having a will is in itself not sufficient. It must be kept up to date especially in the world we live in which changes so rapidly. We have a policy where we recommend to clients that on 1 January each year after you have made your resolutions for the new year the second thing you must do is to review your will to make sure it is still appropriate to you, your assets and your beneficiaries. If it is not have it fixed right away!

The Budget

An underreported but very important aspect of the budget for all business people is the allocation of additional funding to IRD to collect "the right amount" of tax. This is apparently going to come from "non-declaring cash industries" and "questionable tax structures".

Post-budget IRD have been rolling out some of their new moves on this and we have dealt with those in previous issues of this newsletter. Business people should keep in mind that IRD have an expectation of recovering six dollars for every dollar of cost in investigation.

Everyone in business now has a greater expectation of an Inland Revenue audit. If any of the following apply the expectation is much greater: large refunds, significant tax losses, opportunity to pocket cash, mixed business/personal use of assets, personal services industry, use of complex structures. Even if you only deal with such businesses as customers or suppliers your expectation of audit has increased. Some commentators have noted that it may not be your actions which trigger an audit but rather the actions or the nature of business associates that can lead to IRD knocking on your door.

Companies Office Charges

It is with regret that we pass on the news that the Companies Office is making a number of changes to the fees it charges for its services.

They will now be collecting levies towards the Financial Markets Authority (FMA) and the External Reporting Board (XRB) due to a deficit in funding. These levies will now be included within most registration fees, annual return fees and with filing a prospectus.

Because of these increases we have no choice but to increase our charge for filing your annual return. The cost of this per annum will now be \$75 +GST.

We have also reviewed our standard charge for the incorporation of a new company. At this stage we have decided not to increase our price to reflect the Companies Office fee increase.

Tax Payment Reminders

We have been looking into the idea that a few days prior to each tax payment you are required to make we would send text message to your phone as a reminder of the payment required.

The technology to do this is available to us but it comes at a cost that we would need to recover. We would therefore like feedback to katem@dodd.co.nz from all clients as to whether this would be a service sufficiently valuable that it would be worth say three dollars per text message.

UOMI

"You owe me" as IRD say but more correctly "Use of Money Interest". As most business people know this is the interest Inland Revenue charge on any late payment or underpayment (and in some circumstances credit to you on overpayments).

The rates change from May 8, 2012. The underpayment rate is down from 8.89% to 8.40% and the overpayment rate is down from 2.18% to 1.75%. This is a result of a periodic review which was ostensibly to reflect current market interest rates.

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