

DAA Bulletin

Congrats

The DAA team would like to announce the arrival of Adams baby number 3!

All our best wishes go to Kerry and Rebecca for the birth of Cushla Hannah on Wednesday evening.



DODD AND ASSOCIATES LTD

CHARTERED ACCOUNTANTS

Website

Thank you all for your positive feedback about our website updates over the past month, it is great to see so many of you visiting and seeing what we are up to. We are always looking to improve it so if you have any ideas please let us know. Also don't forget to keep checking back in, if nothing else Kerry's rugby blog should be enough to entertain you!!

www.daateam.co.nz

Pitfalls of Dealing Directly with Inland Revenue

We recently had an instance where a client contacted us to check his wife's liability for income tax for the last five years. It turns out the lady was talking to a work colleague who mentioned that she was getting a tax refund and, being in the same job, our client's wife wanted to check if she was entitled to any refunds too.

The problem was instead of talking to us first she rang Inland Revenue directly. Obviously we don't know the exact conversation so whether she actually asked for the Personal Tax Summaries to be issued or if Inland Revenue have issued them automatically based on a "how do I find out" type question we will never know.

Anyway, the end result was that five years worth of Personal Tax Summaries were issued, each with tax to pay and penalties and interest have been added to four of these that are now overdue for payment. The total amount of tax to pay is just over \$2,000.

When I checked the assessments it was obvious that all were correct based on the income earned and tax deducted BUT this lady was actually under no obligation to file income tax returns (or request Personal Tax Summaries) based on the fact that her only income was from Wages, and Interest that had the correct amount of RWT deducted at source. If she had contacted us first we could have saved her from having to pay a significant amount of tax.

So please remember WE are here to help YOU. We have the knowledge and resources to assess whether you are entitled to a refund, or are liable to pay tax, and more importantly we can advise you whether or not you are required to file an Income Tax Return or request a Personal Tax Summary. Inland Revenue do not spend time working out what's best for you – they simply calculate your tax and, if it turns out you owe them money, you have to deal with the consequences of that.

Off Shore Bank Accounts

If you have an off shore bank account and we don't know about it then look out Inland Revenue are coming after you to make sure you are paying your fair share of tax. IRD group tax counsel, Graham Tubb said "deliberately diverting income into a foreign bank account to evade or avoid paying tax, or to increase a claim for Working for Families benefits could be a criminal offence." IRD have signed tax information exchange agreements with 18 countries which gave it access to key bank information to track offenders. If you have overseas bank accounts and have not advised us about them you need to be contacting us immediately. This is an extremely serious situation and you could save yourself some hassle by voluntarily telling IRD about these hidden accounts. At the same time you also need to be asking why you need an off shore bank account and whether it is a valid reason or to avoid tax.

What Businesses Need to Get to the Next Level

- by Ambrose Blowfield of The Marketing Company

Having worked with over 3000 small to medium businesses across the full spectrum of industries I have always been blown away with two things. Firstly, and in a good way, I am constantly impressed with both the passion and the technical nous of most business owners in whatever field in which they operate. Kiwi businesses are on the whole first class at what they do. Secondly, and in a less pleasing way, I am repeatedly disappointed to find out how few business owners in New Zealand have a marketing plan to refer to in their business. In fact over 95% of the businesses we have met around New Zealand do not have an active marketing plan.

The problems that arise from this is that all of the money that comes into a business comes from some form of sales and marketing activity: all of it. 100%. Every cent. Even in businesses where, as is common in New Zealand, most of the current sales come from repeat customers and word of mouth referrals. An effective marketing plan should tell you how to correctly promote your business to make that money, while also saving you time and money by not doing marketing ideas that won't work for your specific business. In not having a marketing plan, businesses are in effect saying that they're happy to 'wing it' when it comes to money. The result of not having a plan is usually threefold: businesses will waste money by doing the wrong marketing, they will waste time for the same reason, and they will often miss out on opportunities and sales by not doing the right type of marketing.

From what we've seen around New Zealand, many business owners rely too much on being great at their 'trade' skills. They then don't feel the need to be good at sales and marketing as well. Unfortunately this can be naive, especially when faced with increased competition in tough economic conditions. As some people say: McDonald's may not make the best burgers in the world, but they certainly market them better than anyone. As a result they have the best burger business on the planet. Technical skills are not enough.

So what can businesses actually do to get better at marketing planning? The answer to this is like many things: get educated and practice! Sales and marketing is no different to sports skills, technical business skills and music, the best way to get good is to become taught by an expert in the field then go out there and put it into practice yourself.

At The Marketing Company our way to address this has been to change the traditional 'consulting' approach to marketing by creating our acclaimed 2-day Essential Marketing Boot Camp™. By getting business owners to write their own plans, there is a great level of understanding, ownership and therefore accountability. From that comes a greater willingness to implement the plans more fully.

The Marketing Company is New Zealand's leading specialist sales & marketing training company. You can contact Ambrose on ambrose@themarketingcompany.co.nz, 0800 427 627, and www.themarketingcompany.co.nz.

Recover Canterbury

If your business is earthquake affected or you are feeling the effects of lost business from the earthquakes then we strongly recommend Recover Canterbury. This organisation is providing a number of free or partly funded courses and a number of other free services plus business funding. If you are affected in any way register your business at www.recovercanterbury.co.nz and a business co-ordinator will be appointed to determine what services/funding you can access. If you are interested in any of the free courses please contact Kate and she can email you the relevant flyer.

Heads Up

Road works are set to begin on Blenheim Road as part of the Major Sewer Update Project. While a lot of the work will be completed using underground tunnels there will be a launching and reception shaft set up between Mandeville Street and Picton Avenue. We hope this will not cause too much disruption and they do state that two lanes of traffic will continue to flow in each direction albeit at the reduced speed of 30km/hr. This work is set to continue until May 2012.

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