

# DAA Bulletin

## Quote

People always ask me, 'Were you funny as a child?' Well, no, I was an accountant.

- Ellen DeGeneres



DODD AND ASSOCIATES LTD  
CHARTERED ACCOUNTANTS

## Networking Tip

Before attending any networking event practice your 60 second pitch. This will allow you to easily and quickly articulate what your business offers, and the benefits it may have for the person you're speaking to.

## MYOB LiveAccounts

MYOB has launched their new online accounting solution called LiveAccounts. It has been designed for those businesses who do a small amount of accounting every month. LiveAccounts is an easy way to create invoices and track expenses.

LiveAccounts can be used anywhere anytime to do your invoicing and you don't have to worry about installing updates or doing backups, MYOB takes care of that for you.

A key feature of LiveAccounts is the ability to link your business bank accounts and credit cards. This means all your transactions, like the payments you make and the payments you receive, are securely transferred into LiveAccounts for you – saving you time in data entry.

For just \$25 a month LiveAccounts is a cheaper solution for the very small business compared to the solutions offered for the standard business. If you would like to know more or would like to take a free 30 day trial contact our office and we will organise the trial.

## Financial System Stronger Despite Global Stresses

When releasing the Reserve Bank's November 2012 Financial Stability Report Governor Graeme Wheeler said New Zealand's financial system has strengthened despite a challenging international environment.

He stated that "Global economic activity is weak and this is affecting emerging markets, including China. The euro area is fragile given the structural issues facing the region and global growth could be further undermined by the possibility of substantially tighter fiscal policy in the United States."

He went on to say that "Households and firms have generally continued to reduce their reliance on debt. However, household debt remains at relatively high levels, with many borrowers still vulnerable, especially to any correction in house prices. Leverage in parts of the agricultural sector also remains high, leaving the sector exposed to a fall in export prices."

The Deputy Governor Grant Spencer commented "We are continuing to strengthen the financial system, drawing on lessons from the global financial crisis. We are implementing the main elements of the Basel III capital adequacy regime as well as continuing to develop our macro-prudential framework. Further, we are putting in place a new prudential and licensing regime for the insurance sector, working with banks to pre-position their systems for Open Bank Resolution and review our statutory powers for overseeing the payment and settlements system."

Read the full Financial Stability Report at:  
<http://www.rbnz.govt.nz/finstab/fsreport/>

## Common GST Errors

1. Including personal funds deposited (or tax / GST refunds) as sales. If you need to top up your bank account because you don't have enough money coming in you don't want to be paying 15% of it to Inland Revenue.
2. Not claiming the purchase price of fixed assets, or omitting to return the value of a trade in. Even when you are on the payments basis of accounting for GST you are able to claim the full amount of GST up front when you enter into a hire purchase agreement. However you must also remember to include any trade in value in the sales portion of your return.
3. Transposing figures. Always double check your figures to ensure they are correct. If there is a discrepancy Inland Revenue will always enter the higher value and it can take quite a bit of time and effort to sort it out with them.
4. Claiming bank charges, interest and drawings. These are the most common expenses that are incorrectly claimed but there are lots of others too. If you are not sure please check with us first – it is a lot easier to get things right the first time than having to amend prior periods GST returns.
5. Not filing on time. This is always going to be a bad choice. Not only do Inland Revenue charge penalties if you don't pay on time they also charge you for not filing on time. For those taxpayers who miss the occasional filing date the penalty is usually \$50 per return however for recidivist offenders this increases to \$250 per return. If you file late every month that's \$3,000 before you even start paying the GST! Even if you can't afford to pay the GST on the due date ALWAYS file the return.

## Five Dynamite Phrases

Here are some terrific phrases that will help you to achieve the most important thing in direct marketing... getting your prospect to take action!

The phrases are... But that's not all... or if you prefer... Now here's all you do... Better still... More important than that...

Here's how those magic phrases could work in your promotional material:

**But that's not all** – you receive three pieces for the price of two!

**Or if you prefer**, you can pay in four easy installments.

**Now here's all you do:** simply pick up the phone and call me now.

**Better still** we install a completely new set of taps and seals.

**More important than that** we regularly review your portfolio to keep you ahead of the index.

Dynamite phrases, aren't they? As you can see, you can use them in any business... especially yours.

## SME Resilience Resource

Over the last couple of years Mother Nature has taught us that disruption and adversity are harsh facts of life for business. The good news is there are simple steps that you can take to help your business 'get thru' in the event of unexpected interruptions like earthquakes and heavy snow falls.

Getting your business ready to 'get thru' is about doing some planning and ensuring you develop practices to become more resilient.

The Resilient Organisations Research Programme as part of the Department of Accounting and Information Systems at the University of Canterbury have put together a short guide with simple and practical steps that will get you well on the way to surviving in a crisis and potentially thriving in the aftermath.

If you are interested in learning more about this email Kate Mitchell at [katem@dodd.co.nz](mailto:katem@dodd.co.nz)

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