

Newsletter

December 2008

DB CHARTERED
ACCOUNTANTS LTD

Contents:

- Administration Reminders
- The Year In Review
- IRD Updates
- Book Reviews
- Working For Families Table

Welcome to the final newsletter for the year. This time we have some administration reminders, a summary of what we have covered for the year, an IRD update and information on Working For Families.

CHRISTMAS BREAK

Our offices will be closed from midday Tuesday 23 December 2008 until Monday 19 January 2009.

GST RETURNS – DUE THURSDAY 15TH JANUARY 2009

A notice to all clients who we prepare GST returns for – we must have these completed by 22 December so please ensure your records are in to our office no later than Monday 15 December to ensure your return is filed on time.

PROVISIONAL TAX – DUE THURSDAY 15TH JANUARY 2009

The tax payment previously due on 7 November is now due in January. We will be sending out tax letters in the next week (if you haven't already received one). If making payment by cheque, please forward your cheque to us (payable to Inland Revenue Department) by Friday 19th December. We will arrange delivery of your cheque to the Inland Revenue Department on 15 January 2009.

FINANCIAL CONCERNS?

Some clients continue to do well, while others are finding times tough. Remember to keep an eye on your margins, expenses, collections and cashflow. If you are struggling, give us a call, or book a time to see us so we can discuss your situation with you. Often a problem shared is a problem halved.

“Work 8 hours and sleep 8 hours, and make sure that they are not the same 8 hours.”

THE YEAR IN REVIEW

If you need to look back, the topics we have covered in the past 12 months include:

March 2008

- Provisional Tax Calculations and dates
- Motor Vehicles and Log Books
- End of Year Planning
- Cashflow Planning
- KiwiSaver and Employer Contributions
- Book Review – *“Financial Secrets – The New Zealand Everything Guide To Everyday Finances”* – Martin Hawes (2007)



June 2008

- Amendments to Personal Tax Rates
- Portfolio Investment Entities (PIE's)
- Calculating Gross Profit Margins
- Managing Stock and Cashflow
- Book Reviews
 - “Your Money Personality – Unlock The Secret To A Rich & Happy Life”* – Liz Koh (2008)
 - “Secrets Of Small Business Owners Exposed”* – Dale Beaumont (2007)

September 2008

- ACC Coverplus Extra
- PIE Investment Rates
- The Cashflow Cycle
- Charitable Donations
- Book Reviews
 - “Kiwisafer – How To Keep Your Money Safe In Kiwisaver”* – Gareth Morgan (2007)
 - “Pension Panic – Tough Talk On Sorting Your Finances”* – Gareth Morgan (2006)

Joke # 1

A woman (she could be blonde but we're not really allowed to comment on this!) calls her boyfriend and says, "Please come over here and help me. I have a killer jigsaw puzzle, and I can't figure out how to get started."

Her boyfriend asks, "What is it supposed to be when it's finished?"

The woman says, "According to the picture on the box, it's a rooster."

Her boyfriend decides to go over and help with the puzzle.

She lets him in and shows him where she has the puzzle spread all over the table.

He studies the pieces for a moment, then looks at the box, then turns to her and says, "First of all, no matter what we do, we're not going to be able to assemble these pieces into anything resembling a rooster."

He takes her hand and says, "Second, I want you to relax. Let's have a nice cup of tea, and then ..." he said with a deep sigh, ".....let's put all the Corn Flakes back in the box."

IRD UPDATES

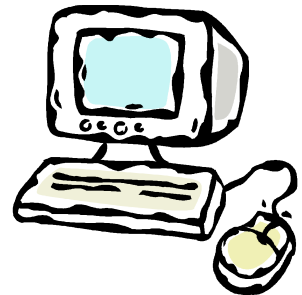
UPDATE #1

Did you know that in 2007 there were over 1,300 traders who were making sales of \$40,000 or more on Trade-me?

So what?

Anyone who supplies goods or services to a value of more than \$40,000 per year is required to be registered for GST.

How do we know about the 1,300 traders? The IRD told us!



UPDATE #2

The Hidden Economy ...

Includes people who:

- don't declare their income in their tax returns (particularly business income), and/or
- tend to deal in cash and avoid issuing invoices and receipts.

The IRD has teams set up to target specific risk areas or industries to audit to establish if any evasion of tax has occurred.



UPDATE #3

Late PAYE Schedules and PAYE Payments.

The penalties for not providing PAYE information to the IRD and not paying PAYE when it is due have been increased to enforce compliance.

- ⇒ The IRD can impose a 10% penalty, **per month** for late payment of PAYE
- ⇒ The penalty for non-filing of the PAYE monthly Employer Schedule is now \$250. If you are having difficulty filing returns on time, give us a call.

UPDATE #4

GST Ratio method

A reminder that any tax payers wishing to use the GST Ratio method to calculate their 2010 Provisional Tax must apply for this by 31 March 2009. (See our December 2007 newsletter.)

This method allows taxpayers to pay Provisional Tax in 2-monthly instalments, based on their turnover for the period. If you wish to discuss this method, give us a call.

BOOK REVIEWS

“FISH” – Stephen C Lundin, Harry Paul and John Christensen (2000)

An inspirational little book aimed at improving workplace energy and moral and therefore improving business results.

It explores the issue of not always having a choice about the work that we do, but that we do have a choice about the way we do it.

This book provides clear, easy to follow ideas on developing positive staff attitudes to work, each other and customers.

Well worth reading.



“THE GOAL” – Eli Goldratt (2004)

This book is now 20 years old but still provides useful ideas to assist businesses. Based in a manufacturing environment, The Goal introduces the “theory of constraints”, whereby any production process will be limited by the time it takes to get the slowest component or process completed, no matter how efficient the rest of the process may be. The “theory of constraints” looks to identify and remove bottlenecks, whether this occurs in ordering, production, administration or sales.

If you can't make it to the bookshop or library, these books are available online @ www.fishpond.co.nz

WORKING FOR FAMILIES

Working for Families Tax Credits are available for families whose main income is from working, a student allowance or NZ Super.

This table shows how much you can earn and still receive Working For Families Tax Credits. The amounts are based on all children being under 13 and are effective from October 2008. If you have children older than 13 you may be able to earn more and still receive a payment.

If we don't already calculate your Working For Families Tax Credit and you think you may be entitled to this credit, please contact us.

		Entitled to FTC	Entitled to IWTC
1 Child	Family earning up to	\$59,262	\$74,862
2 Children	Family earning up to	\$74,857	\$90,457
3 Children	Family earning up to	\$90,452	\$106,052
4 Children	Family earning up to	\$106,047	\$125,547

Joke #2

A teenager brings her new boyfriend home to meet her parents. They're appalled by his haircut, his tattoos, his piercings.

Later the girl's mother says, "Dear, he doesn't seem to be a very nice boy."

"Oh please, Mum!" says the daughter. "If he wasn't nice, would he be doing 500 hours of community service."

DB CHARTERED ACCOUNTANTS ...

Assisting business owners and individuals in their business and personal affairs by providing quality accounting, taxation and planning services.

Thank you for your support over the past year.

We hope you all have an enjoyable Christmas and New Year period.

From the staff at DB Chartered Accountants

David, Angie, Dianne, Gaylene, Joy, Lorraine, Maree and Pam

GIVE US YOUR FEEDBACK

Remember to let us know what topics you would like covered in the future, and if you need to discuss anything mentioned in the newsletter, give us a call.

Contact us at:

E-Mail: office@dbchartered.co.nz

Phone: (07) 847 8154

Fax: (07) 847 8152