

# The LO Down



Winter 2015

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## Business Advice that Suits You!

**The Team at Leslie & O'Donnell are not just number crunchers and although we work hard to help clients meet all their compliance and IRD requirements – There is More!**

We offer a range of services that can be tailor made to fit your needs so together we can take your business to the next level.

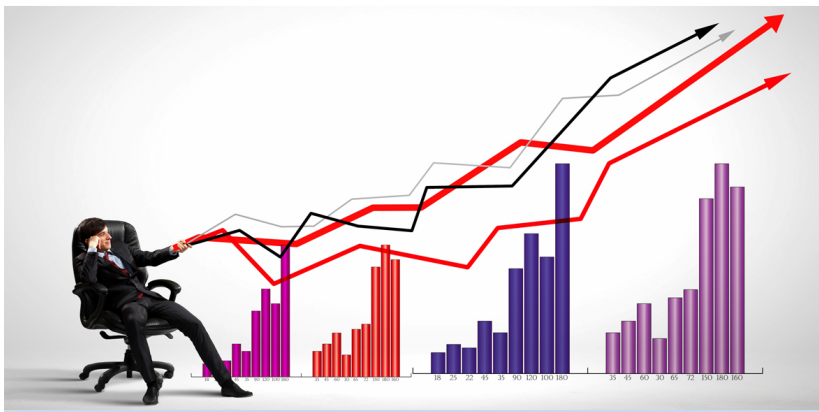
From new business startup, growth and profit, to retirement and leaving a legacy – every stage of your journey is important and we want to help smooth the road ahead.

We will work with you to understand your business and personal goals and together we can prioritize these goals and make a strategic plan to achieve them.

We have the tools and expertise to help analyze your results as frequently as you require and to make a plan for a successful future.

If you think your business could benefit from our help, please talk to us today.

Whether it be education and helping you to better understand cashflows, budgets and financial jargon and/or setting goals and attending meetings to hold you accountable and keeping you focused as your Strategic Business Partner – we can assess your requirements and tailor make a plan for working together that suits your needs and budget.



## Use of Money interest rate rises

On 8 May this year, use of money interest - the interest Inland Revenue charges on underpaid tax - rose from 8.40% to 9.21%.

The rate Inland Revenue pay on overpaid tax rose from 1.75% to 2.63%. Remember! If you have unpaid tax owing, this rise will drive up your costs further.

Talk to us if you think this may affect you.

## Call before you click

If you have a company, we'll let you into a secret. We know, each year when we speak with you about what you want to do about dividends, that the minute we start to talk about imputation credits and the imputation credit account, we watch your eyes glaze over and we know the 'la la la la la' soundtrack is playing in your head. It's okay. Almost everyone finds them hard to understand. And really, that's okay with us because... that's what we're here for, right?

In most cases we take care of your Company records and ensure the correct documentation is held and the Companies Office website is kept up to date – we are your Companies Registered Office and Administrator.

The Companies Office has now made it really easy to update details on their website, particularly for small companies and you may be tempted to do this yourself. However, it's not the Companies Office's job to look out for your tax position. It's ours and some changes that you may make could impact on the future tax position of the Company and need to be considered carefully.

For example, if you were to update shareholder details for prior shareholding changes, there's nothing to remind you that if your company's shareholding has changed by more than 33% each year, you lose what they call 'continuity of shareholding' and potentially you may end up paying more in tax, and you'll lose the credits you built up in previous years and there's nothing you can do about it.

To calculate a company's shareholder continuity you generally have to track the voting interests of the individuals who ultimately own the company. This is not always straightforward.

**Size and timing of the proposed change?** If you want to make a change to shareholding, we need to talk about it to make sure you understand all the implications? Should the company pay a dividend now to utilise available imputation credits, before you make that change in shareholding?

**Tax losses?** Did the company have tax losses last year which were carried forward? If the proposed change in shareholding affects more than 49% of the shares, then the company won't be able to carry the tax losses forward.

**Look Through Company?** If the company is a Look Through Company, a transfer in shareholding may cause the company to fall out of the Look Through Company regime. Will you be happy with that? Do you want us to advise Inland Revenue? Do you want us to arrange for the company to re-elect to be in the Look Through Company regime for the next tax year?

**Directors' interests?** Does the proposed change affect directors' interests in any way? We should make sure the register of directors' interests is updated, in that case.



**So, next time you want to just make a quick update to your company details on the Companies Office site, put down that mouse and pick up the phone. Talk to us. We can look at your situation and what options are available. And we can also put together the documentation you need to record the transactions so everything is squared away.**

*'Success doesn't necessarily come from breakthrough innovation but from flawless execution. A great strategy alone won't win a game or a battle; the win comes from basic blocking and tackling.'* **Naveen Jain**

## Reporting requirements for charities

New reporting requirements for registered charities came into force from 1 April 2015. This means that registered charities will need to prepare financial statements in line with these new standards. Check out the new requirements at <https://www.charities.govt.nz/im-a-registered-charity/new-reporting-standards/>

The requirements vary according to the size of the organisation, its operating revenue and whether it has public accountability.

There is greater reporting required on “non-financial” information. All charities will have to report on 'service performance'. This is a report on what the organisation did to achieve its core objectives. Outcomes and Outputs

### What you have to do:

- ✓ Identify your organisation's outcomes. They can often be derived from the mission statement. An outcome is the benefit you want to provide to the community
- ✓ List your major outputs - An output is the specific service (or goods) delivered
- ✓ Establish a system for measuring delivery of outputs. You will want to report quantities delivered, e.g. number of patients accommodated and/or number of nights, and optionally:
  - ✓ Costs associated with the output
  - ✓ Quality and
  - ✓ Timeliness
- ✓ Prepare a budget for the delivery of outputs and
- ✓ Establish, if practical, the quantities delivered in the previous year

Leaving this until the end of the financial year will make it all MUCH harder. Start now!

## Companies and Partnerships

As the new residency and recording requirements have come in for companies and partnerships, if we don't already know the residency status of partners and company directors, we'll be contacting you soon about this.

We'll also be asking you for details of date and place of birth for partners and company directors if we don't already have this information.



## Kiwisaver for the Self-employed



If you are Self-Employed and under 65 years of age and not contributing to Kiwi-Saver, you may want to consider it.

Currently, the government will match 50c to each \$1 you contribute up to \$1,042 per year. So there is a tax credit of \$521 per year if you contribute \$1,042 into a Kiwi Saver Scheme and this is available to Self-Employed people as well as salary and wage earners.

KiwiSaver is very flexible if you're self-employed. You're not required to contribute a set percentage of your pay. Instead you can agree your contribution level with your KiwiSaver provider. Some providers may have minimum contribution requirements. You can either make lump sum payments when you choose, or set up regular payments.

Check out <http://www.kiwisaver.govt.nz/> for more information.



## Congratulations to some of our Amazing Clients.

### Kirsten Rodsgaard-Mathiesen

Best book in the World published in 2014 in the "Women in Wine" category at The International Gourmand Awards held in China.

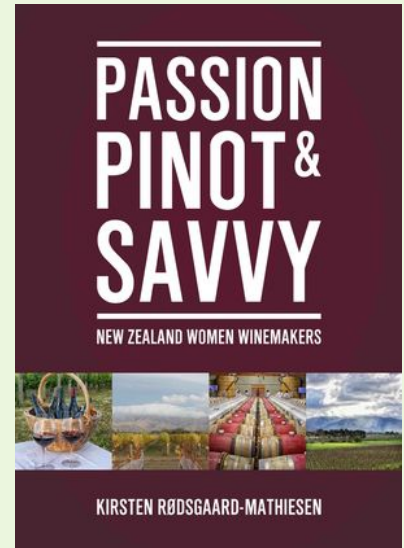
Kirsten's book *Passion, Pinot & Savvy* won best in New Zealand in the drink writing section before going on to win the best in the world. The Gourmand Awards have run for 20 years, judging cookbooks and wine books from around the world.

*Passion, Pinot & Savvy* looks at New Zealand's wine industry through the views and personal journeys of the 16 female winemakers working in different wine regions in New Zealand, including 6 Marlborough-based winemakers.

NZ Wine says "The extensive background detail and reference links make *Passion, Pinot & Savvy* an invaluable general reference for wine aficionados curious about New Zealand wine; but more than that, it's a great read about 16 personal journeys by 16 very savvy women"

*Passion, Pinot & Savvy* is available as an E-Book at [www.madfrog.co.nz](http://www.madfrog.co.nz) or a printed version can be purchased from book stores. We are proud to have a copy at reception, if you want to have a look. It is a great read.

Congratulations Kirsten!



### Paul Fuller – Mortgage Room

NZ Professional Advisors Association

- Mortgage Advisor of the Year.

Paul said in a Marlborough Express article that the award is based on client service not on lending figures:



"It's doing what is best for the client and going the extra mile for them. In other words going beyond expectations to fulfill the client's wishes. Having your clients trust in what you are doing and also the trust from the banks is important"

Congratulations Paul –

Well deserved recognition for the hard work you and your team put in, giving sound, honest advice and meeting the needs of your clients.

### Croads Motor & Mower Services Ltd

Stihl "Dealership Pride" award – South Island

This award recognizes business excellence and pride in the dealership. It is measure in a number of ways which include customer satisfaction surveys, mystery shopping, presentation of the showroom and workshop, systems and processes, staff training, brand support and it recognizes the business has underlying supporting business plans, budgets and Health and Safety plans.

Steve from Croads said "We were surprised but absolutely delighted to get the award as it benchmarks this business with 65 other Stihl Shops throughout NZ and recognizes the quality of the Team here at Croads."

As part of this recognition, Steve and his wife Mandy will travel later this year on a study tour to Stihl factories and the Stihl Head office in Germany.

Congratulations to the Team at Croads – Great work.



*You cannot climb the ladder to success with your hands in your pockets.*

– Arnold Schwarzenegger



# Doug Avery – Resilient Farmer

2015 Global Research Alliance on Global Agricultural Greenhouse Gases (GRA) – World Farmer Organisation Study Tour Award

The award is judged by Technical staff from the Ministry of Primary Industries (MPI) assessing abilities to communicate examples of on-farm ways to support production and environmentally-friendly objectives.



Doug was a NZ Landcare Ambassador in 2012 and has also recently founded the Resilient Farmer programme, currently touring the country spreading the message to audiences on building resilience within farming businesses, transforming farm performance and tackling depression.

For your chance to hear Doug speak in Marlborough 14<sup>th</sup> July 2015 – Your Invitation is below. Check out [www.resilientfarmer.co.nz](http://www.resilientfarmer.co.nz) for more information and to register.

This award will see Doug travel to Argentina as part of a mission to increase global understanding on greenhouse gases and environmental management practices. The trip will showcase both Marlborough and the Avery's Resilient Farming system.

Congratulations Doug and Wendy on this award and sharing your journey with NZ and the World.



## “Innovate or stagnate”

In 1998, a depressed and disillusioned Doug Avery had just about given up on his 1100 hectare Marlborough property. Years of prolonged droughts had taken its toll on Doug and in desperation he attended a field day where Professor Derrick Moot spoke about Lucerne and its management. That hour changed Doug's life as Derrick had promoted the concept of using lucerne as a primary grazing plant and hence the change in pastures, performance and profitability.

Doug is encouraging change and innovation to other farmers/businesses for better wealth and wellbeing creation. With advice and support Doug's presentations offers the encouragement for others to face the challenges ahead, not only in farming but in any business and in life.

**Be OUR Guest and be inspired by**

### **Doug Avery - Resilient Farmer Roadshow**

**Scenic Hotel Marlborough, 65 Alfred St, Blenheim**

**Tuesday 14<sup>th</sup> July 2015**

**Presentation begins at 3pm followed by complimentary Tea & Coffee**

Unfortunately numbers are restricted due to venue size so please RSVP as soon as possible

To Doug's website [www.resilientfarmer.co.nz](http://www.resilientfarmer.co.nz)

Information also on [www.leslieodonnell.co.nz](http://www.leslieodonnell.co.nz)

#### **Disclaimer**

*This publication has been carefully prepared, but it has been written in general terms only. The publication should not be relied upon to provide specific information without also obtaining appropriate professional advice after detailed examination of your particular situation.*

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