



Newsletter: December 2016

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Provisional tax reminder

The second provisional tax payment for the year ended 31 March 2017 for those registered for GST on a two-monthly basis (or not registered for GST) is due 15 January 2017. This includes most individuals.

If we haven't completed your 2016 tax work yet then you will need to pay the same amount of provisional tax that you paid at each instalment date last year plus 5%.

We recommend that you set up the payment before you head away on your Christmas break to ensure payment is made on time as penalties and interest are charged on late payment.

We have just sent out tax reminders but please contact us if you need to check the amount you should pay.

GST is also due on 15 January for those registered for GST on a two-monthly basis.

Earthquakes

The November 2016 Kaikoura earthquake not only provided a fright for most of us awakened during the night, but created a number of unexpected issues especially for buildings in Wellington. This is a stark reminder to check your insurance policy and be quite clear about what is covered.

It is also a reminder that, if you're not doing so already, it may be time to have work documentation stored in the cloud. Business was disrupted for many organisations because they needed physical documents that were on a desk or filing cabinet in an inaccessible building. For those businesses that store these in the cloud, they were back up and running promptly.

This may be something to think about over the summer break, as well as reviewing or creating your disaster recovery plan.

IRD earthquake relief

We recently had a call from Inland Revenue to say that they would be able to provide, on a case by case basis, relief to business that have been affected by the earthquake.

Details are here <http://www.ird.govt.nz/forms-guides/number/forms-500-599/ir505-guide-tax-relief-extreme-weather.html>.

Essentially IRD may waive some interest and penalty charges if your business has been badly affected by the earthquake. Give them a call - they are here to help!

Banks taking your \$

If you have a rental property you may have forgotten that you have personally provided a guarantee over the rental property loans and/ or used your own home as security for the loan.

Using your own home as security is usually an effective way to increase your leverage to buy property so that you don't have to come up with the full deposit first.

This "good idea" may need to be reviewed with a longer term lens given banks'

property. We have heard of several instances recently where clients have sold their own home but not immediately purchased a replacement. Then before they have had a chance to buy a new one, the bank has “taken” the funds to top up the equity on their rental property leaving them with little left to purchase a new property. And on top of that, they have charged break fees for breaking the terms of the loans that have been repaid.

Before you sell your own home we recommend that you check with your bank on the implications for your rental property equity.

Christmas close down

We will be closed from midday Friday 23 December until 8.30 am Monday 9 January.

For emergencies you can email info@dowsemurray.co.nz.

Wishing you all a very happy Christmas and the very best for 2017.

Tech corner

Earlier this year Google released Google Photos along with Android and IOS apps. Easy to use, unlimited storage, your photos always backed up and searchable. I love it!

Following on from this Google have recently released the PhotoScan app for Android and IOS. This little app makes it easy to use your phone camera to scan old photos and save them to your camera roll and Google Photos. It takes multiple shots of each photo, combines them to get a good image then auto crops and rotates if needed. Overall a pretty good result.

Here is a 1970's photo ...



Introducing PhotoScan by Google Photos



Client profile - UFS Pharmacies

The United Friendly Societies (UFS) are made up of several friendly societies: Manchester Unity (Order of Odd Fellows), Hibernian Catholic Benevolent Society, IOOF (Independent Order of Odd Fellows) and UAOD (United Ancient Order of Druids). These are organisations originally set up centuries ago to support members usually of the same guild. The advent of the welfare state in NZ has reduced the demand on their welfare services but they continue to provide these services,

of their activities is to operate pharmacies to keep the costs of medicines low for members.

There are two pharmacies in Wellington, one at 45 Courtenay Place in Wellington (dating from around the 1890s) and one at Cobham Court in Porirua. Both are open to the public but only UFS members receive discounts on both medicines and the dispensing fees.



Both are steeped in tradition with the manager, who works across both pharmacies and is a qualified and experienced pharmacist, having been involved for more than 30 years, they have banked with the same back since they first opened, and they had had the same accountant for 40 years.



Dowse Murray Chartered Accountants became the accountant for both pharmacies in 2011 when the incumbent became unwell. With increasing pressure on medicine subsidies and pharmacies being set up in supermarkets, they worked to minimise overhead costs, putting functions such as accounting and payroll into the cloud via Xero and Smartpayroll. Tonic is used for dispensing and POS operations. As retail outlets have come and gone over the last 100 years, the UFS pharmacies have weathered the storms of changing trends, movements in foot traffic due to work sites nearby, legislative change, and the changing profile of pharmacies, and continue to provide great service to the public.

This information is of a general nature and should not be relied upon for specific situations. If you need advice we are happy to talk to you about your particular situation.

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