
Dowse Murray Chartered Accountants newsletter number 59
February 2016



Newsletter: February 2016

In this issue:

1. Tax reminder
2. Scheduling your work
3. Stocktakes for 31 March 2016
4. Reducing ACC levies
5. Inland Revenue areas of interest
6. Companies compliance requirements
7. Earlier payment of PAYE
8. Tech corner
9. Client profile - Field and Green

Tax reminder

The next tax date for most tax payers is now **7 April 2016**. This is the date that you need to pay any terminal, or final, tax for the year ended 31 March 2015. If we have already completed your income tax return for that year then we will have advised you of the amount to pay but if you have any queries please contact us.

If you don't know if you have tax to pay or the amount of terminal tax to pay, please contact us before **24 March**.

Scheduling your work

As in past years we will be scheduling all our tax work for the 2015/16 tax year.

We will do your work at roughly the same time that we did it last year.

Our busiest period is from 1 April to 7 May and we try to reserve this period for the provisional tax payers in the estimation regime because their tax is more than \$50,000 per annum and they are charged interest and penalties on underpaid income tax. This means we may need to reschedule some work completed during this period last year that doesn't need to be finished by 7 May. Please contact us if need to change your date, e.g. if you are going overseas for an extended period or your business has changed significantly.

We'll email you about a month beforehand so you have time to get your records ready, Xero reconciled etc but if you have any queries at any stage then please just call us.

Stocktakes for 31 March 2016

If you hold stock for sale you are reminded that you will need to do a stocktake of all your product for sale at 31 March 2016 (a Thursday this year). You should make a note of all the stock items and the cost of each (GST exclusive). The total is counted as your closing stock. If you have a computerised stock recording system, the annual stock take is a good time to bring the computerised system into line with the physical stock at that date.

The stocktake is important too for performance monitoring and income tax purposes. Without a closing stock figure it will appear as if your sales have cost a large amount and this will reduce your profit (and taxable income) at balance date. Having an accurate closing stock figure means you are only counting the cost of your actual sales.

Reducing ACC levies

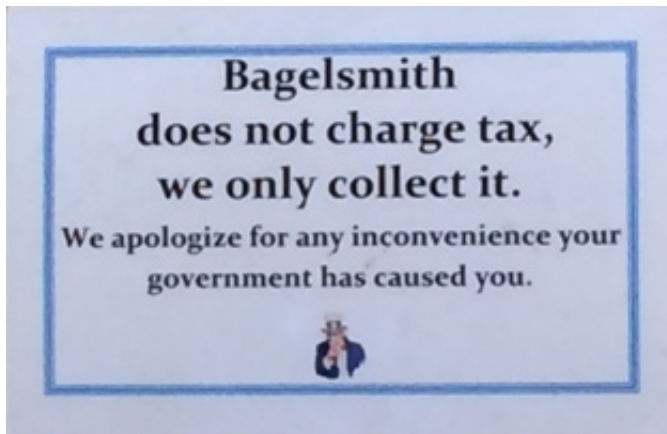
If you already have income protection insurance then you may be "doubling up" with full ACC cover, meaning you may be paying some ACC levies unnecessarily. If you have income protection insurance it will generally cover loss of earnings if you have an accident or illness. If you have an accident you could also receive compensation for loss of earnings from ACC although you won't receive it from both places at the same time. The ACC cover will kick in after a week whereas the income protection insurance cover may not start until the end of a 10-12 week stand down period. A

10-12 week stand down period is often selected to reduce the income protection insurance premiums you pay. However reducing ACC levies to a minimum level (\$23,712) if you have income protection insurance which kicks in after a short stand down period may see you save in your ACC premiums.

So if you have income protection insurance, particularly with a short stand down period, we recommend you talk to ACC about ways you may be able to save on the premium you pay.

Inland revenue areas of interest

Inland Revenue has a focus on the cash economy at the moment. They are particularly looking at **trades people** doing jobs for cash. We have also noticed them auditing **bars and cafes** which may be seen to be handling a lot of cash.



In fact most of these retail outlets in NZ don't see a lot of cash these days because of the high use of EFTPOS here. This also has benefits in reducing banking effort and the risks around handling cash. However it is timely to remember to have good systems (and cameras) in place to check on both customers and staff as there have been several recent cases in the media of trusted employees stealing from their employer. Keep systems documented, move staff roles, be visible as the manager/owner, do random checks, and ensure you monitor the video footage to make sure you're not losing out on your hard earned income.

Companies compliance requirements

As you will be aware, the Companies Act 1993 imposes a number of obligations on companies and their directors. Most of these are well-known and are completed annually during the normal course of business - for example, organising for the preparation of the annual financial statements, convening the AGM, and filing the annual return with the companies office. However, the requirement to maintain a

share register may not be quite as familiar.

As a reminder for those that need it, companies must maintain a share register which records:

- the shares issued by the company
- an alphabetical list of the shareholders' names with residential addresses or registered office; and
- the number of shares held by each shareholder

The list should include both current shareholders and those who have been shareholders within the last 10 years. The share register must also state:

- whether there are any restrictions or limitations on the transfer of shares
- where any document that contains the restrictions or limitations may be inspected
- the date of any share issues, repurchases, redemptions and share transfers.

You can keep this information in a simple spreadsheet and if your records are not up to date you can go onto the Companies Office website and can publicly see (under Documents) the changes to shareholdings that have been lodged with the Companies Office.

Earlier payments of PAYE

Inland Revenue is currently considering a proposal to have employers pay the PAYE calculated as part of their weekly/ fortnightly/ monthly payroll over to Inland Revenue at the same time that they pay their employees, instead of at the 20th of the following month.

We can see this having cashflow implications for many businesses which rely on holding the funds until the payment needs to be made to Inland Revenue on the 20th of the following month but we also recognise that the employer is just the agent for the funds and the employer is collecting the PAYE on behalf of Inland Revenue. Non-payment of PAYE to Inland Revenue has resulted in some businesses racking up huge debts with Inland Revenue, many of which are not recovered.

This proposal will also have an impact on payroll providers who rely on the interest income from investing the PAYE they collect from employers on payday until the 20th of the following month to keep their costs down. It may mean their costs to employers increase.

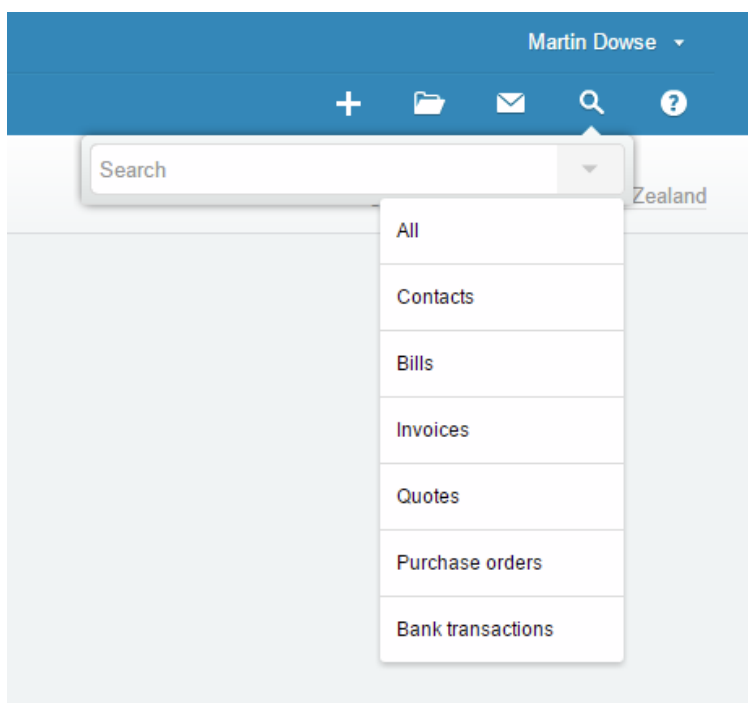
At this stage the it is just a proposal and there is more information at:
<http://taxpolicy.ird.govt.nz/publications/2015-dd-mts-4-payee-gst/overview>

Tech corner

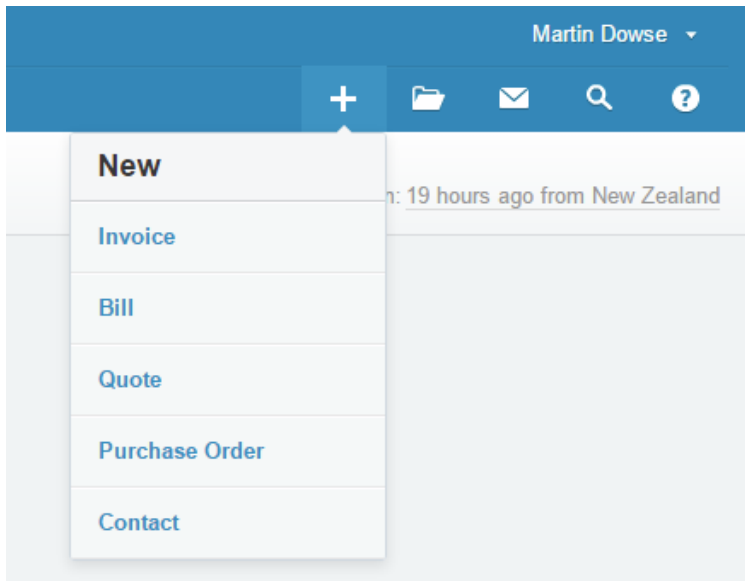
Xero time saving tips

A couple of new features have popped up in Xero that help you get things done faster.

Global search which we have mentioned before is a really quick way to find contacts, bills, invoices, and bank transactions. You trigger it by hitting the magnifying glass near the top right of your screen, or using the / keyboard short cut from anywhere in Xero. One thing to watch out for is that if you enter more that 12 characters into the search field, Xero will only return results matching the exact string!



Click the **+ sign** to add new invoices, bills, quotes, purchase orders or contacts from anywhere in Xero.



Client profile - Field and Green

In the words of Raechal Ferguson:

Field & Green eatery opened in Wellington May 2015 and is run by myself and partner head chef Laura Greenfield. We had relocated to New Zealand in July the year before, myself after a 27 year OE based in London, but in fact our journey to open an eatery in NZ started a year earlier.

As a Director of an international architectural firm my design projects led me to working back in the Antipodes awakening my love for all things Kiwi. Laura hails from London where she was head chef for nearly 13 years at the restaurant in Sotheby's Auction House. A desire to run her own restaurant aligned with my wish to return to NZ to live.



On a recce while out on business in 2013 I broached the idea with Wellingtonian friends (soon to be business partners) who are in the field of strategic marketing. They gave me advice on what is important in communicating any 'product' - a credible brand; a good offer; and an engaging story. We had the engaging story - a returning Kiwi and her chef partner - and we had the opportunity to start developing a 'brand' and what we could offer into something that was unique and authentic but also would evolve over time.

During her years at Sotheby's Laura's European influenced dishes changed weekly allowing her to take advantage of the best produce in season. We

would offer a similar approach.

What to call the establishment was chosen earlier rather than later, a name that was original but also connected to the people behind the business. Settling on 'Field & Green' it is a play on Laura's surname Greenfield but also evokes freshness, eludes to a two person venture, on-trend with business names today, and is easy to spell! Website domains were available and registered early 2014.

Soon after we created a Field & Green Facebook page and Twitter account which captured our leaving the UK and tiki-touring around NZ whilst we looked for a new home, visiting food producers who were passionate about their product, some of whom now supply to our eatery. Our brand identity was developed by our Wellington business partners resulting in a logo, business cards along with our website, all of which helped create a following before we had even opened. The slogan 'European soul food' came from being asked to describe Laura's dishes inspired by European food influences - food that feeds the soul.

Establishing a legal business identity was also important before we opened. Following a search on the web and by recommendation I contacted Baubre before we left the UK as a potential accountant. She gave some sound advice on how to

set up a business. I liked their encouraging and pragmatic approach to accountancy and, along with learning Xero from Martin, the transition from running a business in the UK to one in NZ has been incredibly far simpler than expected. This is helped by online apps from Posboss, our Point of Sale software and Flexitime, our online timesheet & payroll system along with the ASB bank. From a small business owner's perspective NZ is a very can-do country!

Seven months since arriving in NZ we found the right site on Wakefield Street, after several other opportunities we turned away from, taking lot longer than expected but worth the wait. Following a 3 month fit-out we opened daytime only to positive reviews and publicity. Wellington has become our home and we continue to strive for Field & Green to be seen to complement Wellington's food culture and be a great addition to the lively restaurant scene.

Disclaimer

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.

[Follow on Twitter](#) [Forward to Friend](#)

Copyright © 2016 Dowse Murray Chartered Accountants Ltd, All rights reserved.

[unsubscribe from this list](#) [update subscription preferences](#)



MailChimp.
