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## SOSA Office Closures

### Christmas Function

**Our office will be closed  
from Midday  
on Tuesday 21<sup>st</sup> December  
for our Christmas Function  
at Te Parae Homestead.**

**We are open again  
Wednesday 22<sup>nd</sup> at 8:30am**

### Christmas – New Year's break

**Please note our office will close  
at 3:00 PM  
on Thursday 23<sup>rd</sup> December 2021  
and will re-open  
in the New Year at 8:30 AM  
on Monday 10<sup>th</sup> January 2022.**

It is hard to believe that 2021 is drawing to a close. Another very challenging year for us all and we would like to thank you for your continued support.

As we transition into the COVID traffic light system we would like to remind visitors to our office that masks and social distancing are required. We would appreciate bookings being made before you come in and please stay home if you are unwell or have been exposed to any locations of interest.

Wishing you all a safe and Happy Christmas and New Year, with loads of relaxing and laughter.

Leanne, Becks  
& the Team



## How to retain company tax losses when selling a business

**Until recently, if more than 51 percent of the shares in a company changed hands, any company tax losses were no longer available to be set off against future years' profits.**

The law is being changed. Effective for the 2021 year (for most people 31 March 2021) you need only to make sure there is no major change in the company business when the new shareholders take over.

Permitted changes include:

- to achieve increased efficiency
- to respond to advances in technology
- the scale of the business
- using existing assets to produce new products or services related to the existing ones.

Losses incurred before the 2014 year will still need to be written off. There are several complications and special cases, so if this affects you, please ask us.

## Benefits in paying on time!

**It was late Friday afternoon. Joe, who is no tech whiz, had just bought an expensive new router because he was fed up with the problems arising from the cheap one supplied by his internet service provider.**

He rang his IT expert and asked for some help installing it.

"We will need to visit you to do this," they said.

To Joe's pleasant surprise the tech came out late on the Friday afternoon. After the job was completed, about half an hour after the tech should have finished work for the day, Joe thanked him for coming so quickly.

"The boss said I didn't need to come but I explained you always pay your bills quickly," he said.

A café owner, who always pays his suppliers on time or early spends about \$5000 a month on coffee. Recently, the price of coffee went up but not to this owner. The supplier rewarded him for his prompt payments by not increasing the price. He in turn, was able to keep his prices stable.

**Is it good business to be a slow payer? What are you going to gain by holding on to your money – maybe 0.5 percent interest? It will work better for you by being a prompt payer. Suppliers are invariably thrilled to be paid immediately and are much more likely to look after you.**

## New sale rule splits business components

**A new rule from 1 July 2021 states that when you sell your business, you're expected to split the price into its component parts.**

For example, you're selling a shop. It has stock, shelves, some equipment and you want to be paid some goodwill. You're expected to put figures on all of these.

As a consequence, the buyers split the price in the same way when they do their accounting.

Before this rule came in, it was not uncommon for a seller to split the figures one way and the buyer to split the figures another way – both of them for best tax advantage.

What if you overlooked doing this?

As seller, you have three months in which to notify the buyer of the split. Since the split could favour the seller and disadvantage the buyer, buyers should beware.

After the three months, it's the buyers turn.



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## Business is Booming for Trades

Many in the building industry are run off their feet. This is leading to them ignoring telephone calls and emails with the resulting customer frustration.

Trade cycles mean bad times will follow good ones. The time will come again when you will not have as much work as you would wish. At these times, many people cut their prices to a minimum just to stay in work. Others go out of business and search for a job in an overcrowded market.

Now is the time to look after your customers and to make sure you keep in touch with them after you have completed their work. How, you ask, am I going to be able to handle all the telephone calls and get my work done?

Answering the telephone or returning calls doesn't earn you money but it does earn goodwill. The trouble is it's very time-consuming. The solution is to get your system as efficient as possible.

Responding to emails is quicker than ringing people. Therefore, leave a message on your telephone asking the caller to send you an email or text rather than leave a voicemail.

It takes time to type, so use a dictation app (often part of your phone software) so all you have to do is to say, into the microphone, what you want to tell the caller and press send. That doesn't take very long and you can attend to lots of messages in a very short time.

Suggestion: If you can't handle someone's job it might be better to tell them and perhaps recommend another firm. They will probably appreciate your honesty and your competitor probably won't keep in touch after the job. Of course, you will keep in touch – read on! So now you have found out how to keep customers contented by returning their calls. To retain your customers, keep in touch with them continuously.

The easiest way is to email them a newsletter. Compile a database of email addresses of all your past customers and anybody else who might be interested in your newsletter and keep building this database. One businessman we know has accumulated 7000 email addresses. You don't even have to send a whole newsletter. Just send tips which will be useful to the reader and, of course, make it clear who is sending the ideas. You should use these emails to add value for a customer rather than trying to sell them things. If you try to sell, you might irritate them and get more "unsubscribers".

# Business Bites

## Family Trusts – new tax law

**When you put in a family trust tax return in the coming year (2022 tax year), more information is going to be required by Inland Revenue:**

- transfers by associated people (generally means relatives of the beneficiaries) to the trust
- loans between the trust and related parties
- more details about distributions to beneficiaries
- more details about any settlements (includes free services to the trust and money donated) on to the trust
- information about the power to appoint or dismiss trustees
- Inland Revenue could ask for information back-dated for seven years.

We are therefore likely to ask more questions of you if any of the above situations apply to your Trust.

## Property Transactions – Talk to us First!

The Brightline Rules are constantly changing. It is imperative you talk to us before you engage to buy OR sell properties so that we can inform you of your obligations or any unforeseen implications. Even simple transactions may not be as they seem.



# Business Bites

## Reminder - Queries cost you money

If our team is constantly having to chase you for missing information, this is costing us time, and therefore costing you money! It may even cost you penalties if you have deadlines to meet with Inland Revenue.

The quicker you are in your response to queries and the more thorough you are in the information you provide, the more money you will save.

We do appreciate at times delays will occur, the sooner we can get all questions answered the better for us all.



Business Wairarapa completely blindsided Becks at their recent Wairarapa Awards evening where she was presented with a Tribute for all the voluntary work she carries out for the Business Community and Community at large. This acknowledgement not dissimilar to her achievement of becoming a fellow of CAANZ and means 2021 has been a pretty good year!

### An Important Message

While every effort has been made to provide valuable, useful information in this publication, this firm and any related suppliers or associated companies accept no responsibility or any form of liability from reliance upon or use of its contents. Any suggestions should be considered carefully within your own particular circumstances, as they are intended *as general information only*.

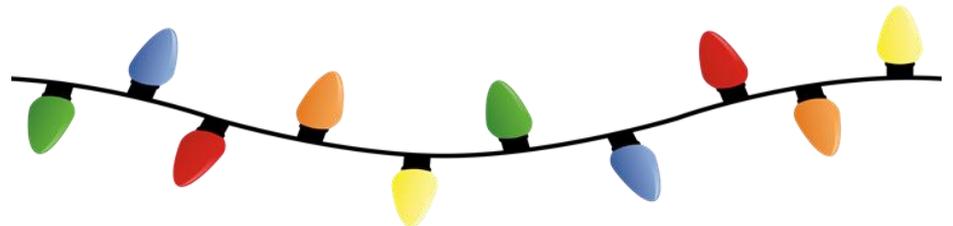
## CAANZ Gala Dinner

**In August Chartered Accountants Australia and New Zealand had their Annual Gala Dinner. These dinner's celebrate New Members, Milestone Members & Fellows.**

**At this years' dinner Becks Sayer was awarded her Fellowship (FCA), which recognises outstanding professional achievement and distinguished service and Janis Ronald was awarded her Associated Chartered Accountant (ACA), which she received last year.**



Pictured above on the night L-R: Janis Ronald ACA, Becks Sayer FCA, Dayna Scott AT and Fiona Cameron AT



## Sponsorship 2021

**We have been a proud community partner of Life Flight since 2014 and will continue with our support in 2022 by sponsoring a lifesaving mission.**

Our sponsorship of the Wairarapa Koru's (Women's Cricket) is continuing for the 2021/22 Season, and we wish them the best of luck with their season.

We also sponsor the Dairy Women's Network (with NZ CA), Red Star Squash Club, support Marist Cricket Club and Life Education Trust, have recently sponsored a Cross Country fence at the Masterton A&P grounds and are sponsoring the Championship class at the North Island Endurance Championships next year.

