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## Financial Year End

**The end of the 2022 financial year is now here for those of you with 31st March balance dates.**

Your questionnaire will be with you shortly and we are sending the majority of these via email this year.

Below are some tips to make sure we get everything we need

- Answer all relevant questions in our questionnaire.
- Make sure you have everything we have asked for in the questionnaire.
- Arrange for a stocktake if needed.
- Calculate your Work in Progress
- Count cash in the tills and petty cash at the end of the last working day of your income year.
- Work out your debtor's balance as at the end of the financial year. Note any bad debts – can they be written off?
- Work out money you owe your creditors at balance date.
- Check for any assets purchased through the year and have copies of invoices for these – saving them directly into your software is the best way to give us access to these.

If you have any questions about your year end, please get in touch with us.

We hope you are keeping well and safe.

Our office is open to drop off/collect documents. We prefer meetings to be via Zoom but will see you in the office if necessary. If you do come into our office, please wear a mask, and keep your distance.

Leanne, Becks  
& the Team

**Life Flight**  
Community partner 2022



# Business Bites



## Transferring shares

It appears to be so easy to transfer shares. All you have to do is to go on to the internet, find the Registrar of Companies and change your shareholding....

This is wrong. Share transfers need to be approved by directors so suitable minutes need to be prepared and signed.

A signed share transfer form will provide evidence the seller intended to get rid of their shares. The company also needs to keep a register of shareholders and this needs to be updated.

It is not the same register as the one at the Registrar of Companies.

Before even starting to put through a share transfer, you must consider the tax implications. Not only can losses be forfeited but also tax credits, and this can be very expensive.

If you're contemplating changing your shareholding, please talk with us before taking any action.

## Residential rental property – Interest deduction changes

**Below outlines the timing for the amounts of interest, which are permitted to be deducted:**

- From 1 October 2021 to 31 March 2023 the maximum interest claimable is 75%.
- From 1 April 2023 to 31 March 2024, it is 50%.
- From 1 April 2024 to 31 March 2025, it is 25% and there after the claim is nil.

**We will need your loan statements for the full financial year to make this calculation for you.**

**Please contact us if you have any questions.**



## Time is money: make the most out of 2022

Are you familiar with the ancient Japanese philosophy of 'Kaizen'? It's the principle of continuous improvement that can make a huge difference to the efficiency of any company and is saving some of the world's most powerful companies millions of dollars a year. Sound good? Here are ways you can embrace Kaizen to improve your business.

**What's your waste?** This isn't just about what's ending up in the rubbish, it's also unnecessary movement, overproduction of stock, waste due to mistakes, and time spent waiting. Examine whether the waste is avoidable or could be made more efficient.

**Get organised!** Create a standardised work week so the same things are happening on the same day or time. Organise your equipment so everything has a home, and everyone knows where it is.

**Create visual systems.** Get everything out of your head and onto a board – the goals and priorities, how you're tracking, and who's responsible. It helps with communication and eases the pressure on you because you now don't need to be there to answer all the questions.

**Non-utilised resources.** Listen to your team; their ideas and even their hidden talents could be put to good use.

**You don't have to spend millions on flash solutions.** Simply get down to basics, understand the root cause of the problem, and put systems in place. It's about making your life easier, less frustrating, and gaining more time to be an efficient, effective business owner.



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# Business support during the Omicron outbreak

The government recently announced 3 additional forms of financial support for businesses struggling with cashflow due to COVID-19.

These are:

- an increase to the base Small Business Cashflow Scheme (SBCS) and the ability to borrow a top-up if you did not borrow the full amount
- up to 3 COVID-19 Support Payments (CSP)
- an extension of IR's ability to remit penalties and interest.

Below is a brief overview of the updates, please contact us if you have any questions.

## Small Business Cashflow Scheme (SBCS) changes

The SBCS base loan will be increased to \$20,000 (from \$10,000). This means the amount that can be borrowed will be \$20,000, plus \$1,800 per full-time equivalent employee (up to 50 employees). The loan repayment period remains 5 years (60 months).

The first 2 years of existing loans will become interest-free provided the loan is not in default. Interest will apply at a rate of 3% per year on the remaining loan balance from the first day of the third year of the loan period.

## COVID-19 Support Payment

On 21 February 2022, a new targeted COVID-19 Support Payment (CSP) was announced for businesses struggling with revenue during the Omicron outbreak.

The CSP is a payment to help support viable and ongoing businesses or organisations which have experienced a 40% or more drop in revenue because of 1 or more of the following COVID-19 circumstances:

- the widespread presence of COVID-19 in the New Zealand community
- the legislative public health measures taken to reduce the spread of COVID-19 in the New Zealand community
- any business circumstances that are, or are reasonably likely to be, a consequence of the circumstances described above.

Three fortnightly CSPs will be available with applications opening for the first payment on 28 February 2022 for the period starting from 16 February 2022. Each CSP will be \$4,000 per business plus \$400 per full-time employee (FTE), capped at 50 FTEs or \$24,000.

The maximum size of the CSP your business or organisation may be eligible to apply for, depends on the number of FTEs you have, and your level of revenue. Businesses or organisations with low revenue will have their payment capped at 8 times their actual decline in revenue.

## Remittance of penalties and interest

Inland Revenue's ability to remit interest if a business is late paying its tax because they are adversely affected by COVID-19 has been extended. Customers should contact Inland Revenue as soon as they know they will not be able to pay their tax on time.

# Business Bites

## COVID Business support for employees

### Short term absence payment

The Short-Term Absence Payment is available to employers to pay workers who follow public health guidance and stay home while waiting for a COVID-19 test result. It's also available to eligible self-employed workers. To be eligible, workers need to be unable to work from home and need to miss work while waiting for their test results.

### Leave support scheme

The COVID-19 Leave Support Scheme is available to employers to help pay employees who have been advised to self-isolate because of COVID-19 and can't work from home. It's also available to eligible self-employed workers.

**More information and how to apply for the above payments is available on the Work and Income website.**



## Clean car discounts & GST

Subject to legislation being passed, the Clean Car Discount will consist of rebates and fees for imported new and used vehicles based on CO<sub>2</sub> emission ratings from 2022. The discount you get for buying an electric car includes GST.

It works the other way, too. When petrol cars are charged fees, those fees also contain GST, which can with be claimed back.



## We are hiring!

**We are on the lookout for an admin/accounting team member – do you know someone who is looking for a change and might be interested in joining our awesome team?**

Experience in a business administration or accounting role is desirable.

We offer flexible working hours and full training will be provided.

Confidential applications including a CV & Cover Letter or any questions about the role can be emailed to [practicemanager@sosa.co.nz](mailto:practicemanager@sosa.co.nz)

## Reminder – Keep us in the loop with software changes

If you change your accountancy software at any time throughout the year, please let us know. This will enable us to get any information we require from your previous software before access is removed.

It is a good idea to talk to us about software changes before they are made as we may be able to assist and offer timesaving advice.

## Down time is important

**Screens have become so omnipresent in our lives that internet addiction is recognised by the World Health Organisation as a mental health condition. Here are our top tips for switching off.**

**Resist FOMO** – It's tempting to respond immediately to every ding or vibration alert from your phone but checking emails at three set times each day is enough.

**Communicate** – Let people know about your plans to be offline at set times during the day.

**Out of sight, out of mind** – Turn off your phone, or at least temporarily silence your email and social media alerts, and then get your devices out of your line of sight until you're ready to reconnect.

**Get moving** – A quick walk around the block or a five-minute stretch will relax those muscles in your neck, back, and shoulders that suffer when you're hunched over a keyboard.

**Rest your eyes** – To relax and refresh your eyes, gaze into the distance every 20 minutes for 20 seconds.

**Create a safe (tech-free) space to rest** – Sleep is a time for your body and mind to rest and repair from the day's stressors, so make your bedroom screen-free.



## SOSA Easter hours and Office hours moving forward

We will be closed for the Easter Break from 4:30pm on Thursday 14<sup>th</sup> April and will reopen at 8:30am on Wednesday 20<sup>th</sup> April. Wishing you all a safe and Happy Easter!

From 1 April our office will be open from 8:30am at 4:30pm, Monday to Friday.

Between 4:30pm & 5pm you can call the office and we will meet you at the door. We can be available outside of these hours by arrangement.



### 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*.

