

COVID-19 CLIENT UPDATE

We trust all our clients are keeping safe and well in these difficult times. We appreciate you may have concerns over what is happening re your business and access to us. This newsletter addresses a range of COVID issues affecting clients and our position to support you.

We also refer you to <https://covid19.govt.nz>.

OUR AVAILABILITY

As we are not an essential service our offices are shut over the lockdown timeframe. While many of our team can access their work emails remotely, some cannot. We appreciate your forbearance over any delays in response times that may arise. If you have concerns about queries not being answered please contact Mark or Sonya on the following:

Mark: mark@blackburnegroup.co.nz OR 021 288 6662

Sonya: sonya@blackburnegroup.co.nz OR 0273 730 910

INLAND REVENUE

From a business perspective, no doubt at the front of concerns for many:

Payments	If ability to make payment of any tax type (GST/PAYE/income tax) is compromised by coronavirus issues IRD are waiving penalties and interest, upon application. Satisfactory arrangements will still need to be made to pay amount outstanding over an acceptable timeframe.
Terminal Tax and Provisional Tax	You all will have received communication from us regarding terminal and provisional tax commitments. If you can pay without compromising working capital we suggest you do so, otherwise pay whatever amount you deem appropriate. Please advise us so we can contact IRD re appropriate alternative arrangements for payment.
March 2020 GST	<p>For many of our <u>clients on Xero</u> we anticipate being able to process and complete returns as usual, subject to our team having appropriate Wi-fi capacity available to them and yourselves to respond to and clear any queries.</p> <p>For our <u>non-Xero</u> clients, we will be unable to access necessary files until we return to work.</p> <p>As we were in the midst of changing our practice systems fully to Xero (programmed for Easter - now deferred to May) the lockdown was very bad timing. Many of you will have received documentation from us with respect to changing bank feeds from Banklink to Xero. For those of you who have returned the signed documents to us for the transition, we note that those feeds are not backdated, so will in many cases still be needing to access Banklink generated info in due course. For those who have not returned the signed documents to us the bank feeds remain unchanged and we encourage you to review, sign and return the documents as soon as possible, and while you have the time during this shutdown period.</p>
2019 Income Tax Returns	Some client returns were unable to be completed due to the shutdown. Where required information has been provided to us we will complete these upon our return to work. IRD have confirmed that income tax returns filed by 31 May 2020 will be accepted as 'on time'.

WAGE SUBSIDY

With the lockdown most of our clients are now eligible and we have been assisting many of you with queries. We **attach**, for your reference, a very useful summary of issues provided by our specialist HR support team.

BUSINESS SUPPORT

We expect more comprehensive packages may be available for affected businesses in due course. In the meantime what has been indicated is:

Mortgage holidays	Mortgage holidays of up to 6 months have been indicated as available upon application. From our discussions with banks we understand that approval of applications is at <u>their discretion</u> but they would expect to approve as a matter of course. Unless the customer had existing credit issues.
Loan funding	Government has indicated that they will underwrite bank lending to businesses by 80% for loans up to \$500k. Banks still have to underwrite the remaining 20%. Discussions with banks indicates they have not yet received details from Government about how the support will be actioned. Each bank will continue to apply its own prudential lending standards. We are happy to assist as necessary with advice, cash flows etc In summary, while this will potentially be very beneficial for business attempting to ramp back up this remains a work in progress. Remember, it will be a “hand up” not a “hand out” and will be required to be repaid.
Plant/Term loans	Our experience is that all lenders in this space are very receptive to requests for interest-only payments for up to 3 months. We urge you to avail yourself of this if appropriate. Once again please contact us for assistance as necessary.

2020 ANNUAL ACCOUNTS

With the current lockdown period, we expect some inevitable delays in due course with timeframes for processing 2020 Annual Accounts. We will do our best to prioritise those with specific needs. Please communicate with us if you have any need for urgent processing.

WORKING FROM HOME

For those working from home the following instructions may assist.



NB: Where partners are the problem, use more tape.

TAKE CARE

On a final note, we acknowledge that this is a very difficult time for you and your families. Please stay safe and look after yourselves.

If at any stage during the lockdown period, there is something you would like to discuss or support you feel we can provide, please do not hesitate to contact us. We are still available to assist you with queries/requests and will do our best to provide the support you need (even with our limited access to accounting/client information).