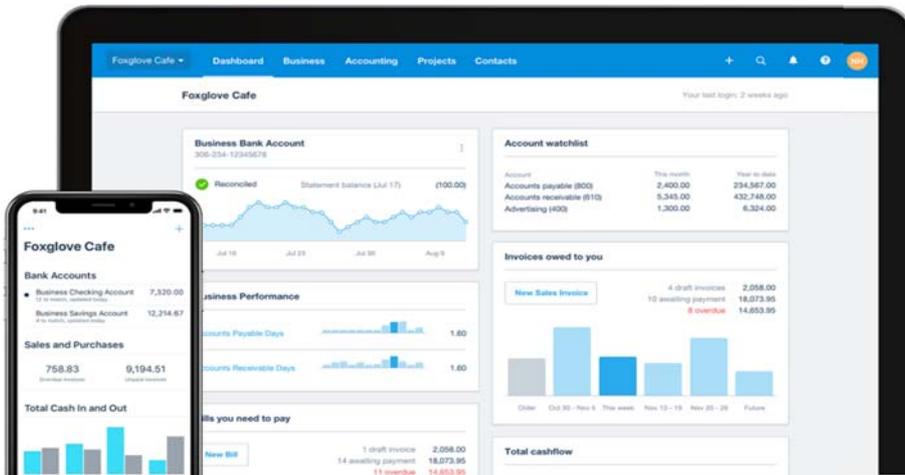


Winter - July 2020 Newsletter



Blackburne Group have now changed the accounting software to XERO that the practice uses for invoicing and practice management. This process was underway before Covid struck and was held up due to the lockdown period. Thank you for your patience during the transition period.



Our staff are certified xero advisors and can assist with your transition to xero cashbook if you are looking at moving from your current software package.

Having current up to the date transactional data assists us to prepare timely reports for bank and finance companies to assist with your financing requirements.



Please note that future invoices and statements emailed to you from Blackburne Group will be sent from our xero software email address: Messaging-service@post.xero.com

This email will also be used for tax payment reminders due for terminal and provisional tax instalments.

Please check your spam or junk email if you have not received emails in your inbox that you were expecting from us. Please phone for further information.



ACC will commence invoicing in July for CoverPlus Extra customers. This was delayed 3 months from 1 April 2020.

All other ACC invoicing is being delayed until October.

If you put any outstanding balance on a payment hold with ACC, please be aware that ACC collections and recovery team are making phone calls to check if you are now in a position to pay the outstanding balance. If you are still unable to pay the outstanding balance ask for a payment plan. ACC are assessing each customer on a case-by-case basis.

Any queries, please phone your client manager.

Small Business Cashflow (Loan) Scheme

Applications opened on 12 May 2020 and can now be submitted. Initially up to and including 24 July 2020 but this has now been extended to the end of the year. All other conditions remain the same.

The maximum amount loaned is \$10,000 plus \$1,800 per full-time-equivalent employee up to a maximum of \$100,000. Applicants must have 50 or fewer full-time-equivalent employees.

The annual interest rate is 3% beginning from the date of the loan being provided. Interest will not be charged if the loan is fully paid back within one year.

Details about all the COVID-19 relief initiatives, including eligibility criteria and applying for the SBC loan, can be found at

<https://www.ird.govt.nz/covid-19>

Wage Subsidy

Applications for the wage subsidy extension (WSE) are open from 10 June to 1 September 2020. Your business must have experienced a minimum 40% decline in revenue. MSD have clarified that this revenue loss must be for a continuous 30 day period in the 40 days before

application (but no earlier than 10 May) when compared to the same period last year, or a reasonably equivalent period for a business operating less than a year or a high growth business. We can assist with these calculations.

To apply and for more information <https://www.workandincome.govt.nz/covid-19/wage-subsidy-extension/index.html>



Tax Updates

In the last few months, a number of changes have been made to help businesses. For more detail on each of the below, contact your client manager.



The provisional tax threshold has increased from \$2,500 to \$5,000. This means, if you expect to have a tax bill of less than \$5,000 this year, you don't have to pay instalments through the year.

The small asset depreciation threshold has increased to \$5,000 for assets purchased from 17 March 2020 to 16 March 2021. This means you can write-off the full cost of assets you buy for less than \$5,000 during this time, which will reduce this year's tax bill. From 17 March 2021 the threshold will drop to \$1,000.

Depreciation on commercial and industrial buildings is now allowed. This could reduce this year's tax bill.

The Government has announced its intention to change the loss continuity rules to make it easier for a business to keep its losses on the books when changing ownership.

The use of money interest rates are reviewed regularly to ensure they are in line with market interest rates. The interest rates on underpayments and overpayments of taxes and duties have now changed as of 8 May to:

- underpayment rate: 7.00% (previously 8.35%)
- overpayment rate: 0.00% (previously 0.81%)



A myIR account lets you manage all your Inland Revenue matters online:

- Update address
- File GST returns
- File PAYE returns
- Check and read eDocuments
- Check your KiwiSaver account
- Check your Student loan account



Having a myIR is useful and does speed up electronic filing of returns and viewing of payments due or made but, please be aware that we are receiving many calls from clients who are worried that income tax arrears are showing as unpaid and are upset that we have not advised them of this.

In most cases this tax is not actually overdue as it is provisional tax related to a future tax period. We would have undertaken a taxation estimate for you and advised you to pay a lesser amount or no tax based on this result. We do not officially communicate this reduced tax liability to the IRD and this is why the full amount is still showing as a payment due.

If you are concerned that you have a balance due showing on your myIR, please contact us in the first instance. Do not contact the IRD and make arrangements to pay the arrears. If you are contacted directly by IRD, please advise them you have an Accountant acting on your behalf and the IRD should be contacting us directly.

We have been notified of recent examples of IRD bypassing accountants and sending queries directly to taxpayers who think the IRD is trying to help them and the taxpayer ended up representing facts and opinions that on reflection they wish they had never communicated to the IRD. So, please direct any IRD enquires to your client manager.

TREE JOKES

How do trees access the internet?

They log on.

Why did the pine tree get in trouble?

Because it was being knotty.

What is every single tree's least favourite month?

SepTIMMMBERRR!

What's the same size and shape as a giant douglas-fir tree, yet weighs nothing?

A giant douglas-fir tree's shadow.

A forester is walking through the forest and a tree yells, "Stop! You can't cut me down, I'm a talking tree!" The forester responds: "Yeah, and you'll dialogue."



School Holidays - Help local tourism businesses get back on their feet.

One way you can help the country recover is by seeing it. You'll be getting a break while getting to know your own backyard and helping local tourism businesses get back on their feet.

Across New Zealand, you can find everything from untamed wilderness to rich culture. There are many natural places to explore, whatever your budget and timeframe — from your local beach, longer day trips to the bush and ski trips to the mountains.

Find My Adventure has over 500 tracks and trails across New Zealand to walk, bike, run or ride your horse. <https://www.walkingaccess.govt.nz/>



REGIONAL BUSINESS PARTNER NETWORK

Blackburne Group have registered as a service provider with the RBPN to provide assistance with Capability Funding. Basically this relates to training and coaching services to improve business capability, planning and your understanding of your business.

How the scheme works is that you register with RBPN, apply for relevant services, we perform the service and you are given a voucher for 50% of costs to a maximum of \$5,000. We then work with you to:

- * review your systems to assist better understanding of available information so as to improve your understanding and management of the business
- * assess what other information you should be accessing to improve the business
- * assist your understanding of marketing opportunities to expand the business and develop appropriate plans
- * better understand the steps to be considered to resource such growth
- * in particular re-enhancing training and support systems for increase in labour required
- * review funding needs and sources required to assist
- * training and coaching in transitioning to xero cashbooks

For further information or assistance to register, please email our Practice Manager Joanne at her email joanne@blackburnegroup.co.nz

Staff Changes

We welcome Monica Natta as a client account manager whose start date was delayed due to the covid lockdown. Monica commenced with us on 4 May from an accounting practice in Auckland. Monica has experience in xero and is working with clients assisting them with xero queries, periodic/GST preparation and annual financial accounts.

We fare-welled Tania at the end of May and if Tania looked after you, you may well now be hearing from Monica.



Disclaimer

This publication has been carefully prepared, but it has been written in general terms only. The publication should not be relied upon to provide specific information without also obtaining appropriate professional advice after detailed examination of your particular situation.