

accountantsNZ

Hi everyone

We hope you are staying safe and sane in your bubbles. Please remember we are all working from home and if we can help, we will. To get in touch please use email, or the best phone numbers are:

Rachel 07-829-8855 (or cell, 027-389-7903, but less reliable where I live)

Kat 027-625-9534

Our Thoughts on the Government Lending Assistance

\$6.25 Billion in New Lending available to Covid-19 affected businesses

It has been reported that New Zealand's banks are offering up to a total of \$6.25 billion in guaranteed loans to businesses financially impacted by Covid-19. Eligible businesses can apply to their bank for new lending under the scheme from today.

My thought around this is that we should avoid any hasty decisions - they could prove costly in the long run. Once we see a clearer picture coming out the other side of this pandemic, that is the time to make the big commitments.

At the moment, I would encourage you all to plan (as best you can) for doing things now, and for coming out. Here are a few suggestions:

- Create a cash flow forecast
- Talk to your bankers, your landlord and me
- Develop some contingency plans
- What are the marketing opportunities we have in lock down and beyond
- Think about how you can better attract your ideal customer
- Contact your networks and clients - create better relationships
- Are there new income streams emerging from this
- Figure out a way to become indispensable to your clients
- Follow up on all those leads you have, but haven't got around to
- Use your database
- What are the costs we can cut right back on
- Contact your suppliers - where can we trim things
- How can we improve systems, ask staff to come up with ideas.
Even if they are only earning the government subsidy, they are still employed and can still do some work for you.
- Set your team tasks - organize daily meetings and follow up
- Can they do some upskilling while in lock down
- How can you support your staff
- Look after your own physical and mental health
- Set up daily and weekly checklists for things to do for your business over this period

IRD Changes

Tax changes IRD have implemented for the financial year ending 31 March 2021

- Restoring commercial building depreciation 2% DV permanently
- Increasing the provisional tax threshold from \$2500 to \$5000
- Allowing immediate write off of assets up to \$5000 purchased in 12 months from 17 March 2020 (was \$500)
- Allowing Use of Money Interest to be waived at IRD for any payments on or after 14 February 2020

- Greater information sharing with other government departments
- Allowing more access to the in-work tax credit.

If we can take of advantage of any of these measures for you, we will.

IRD Closedown & GST Filing

IRD are temporarily shutting down from 3pm Thursday 9th April and reopening on Thursday 16th April

During this time the myIR secure online services will be unavailable and the offices and phone lines will be closed. This is in order to do some planned maintenance and upgrade work.

Because of this we are encouraging clients to please file their GST returns before the 9th. However you can still pay on the 7th of May.

We are also encouraging everyone to process any payday filing that might fall within these dates before the 9th as well. As we will still be on lockdown during this time hopefully this will be relatively simple. If not please do give us a call.

Wage Subsidy Records

For those who have applied and received the Covid 19 Wage Subsidy from the government, we are encouraging you to keep good records of the money you are paying out to employees. You could be audited so it pays to have good records. This can be done

via your payroll system or manually if you wish. For help on this please call us.