

UNPRECEDENTED TIMES....

Just like the Christchurch Earthquakes we learnt to read insurance contracts, we are all now turning to our rental leases.

The Government is significantly helping with wages subsidies to keep families income/commitments ticking along. Banks have offered mortgage holidays and the Government has a business finance package details of which have just been released. Under the scheme, businesses with annual turnover of \$250K to \$80M can apply to their banks for loans of up to \$500K for up to 3 years. There are some exclusions such as property development/investment; and you can't use the loan to buy equipment.

We encourage you to take advantage of all the support that is offered if your business has been affected by COVID-19. Please read the terms of eligibility as although no proof is required right now for wages subsidies, questions will be asked later. If you think that you have received money that you now think you are not entitled to, please put the money aside so you can pay it back in due course.

If you have any queries, please contact me now, we are here to help – as always.

Here are some useful links:

<https://covid19.govt.nz/>

<https://www.msd.govt.nz/about-msd-and-our-work/newsroom/2020/covid-19/index.html>

<https://www.employment.govt.nz/leave-and-holidays/other-types-of-leave/coronavirus-workplace/>

<https://www.mentalhealth.org.nz/get-help/covid-19/>

<https://central.xero.com/s/business-continuity>

<https://covid19.govt.nz/latest-updates/business-finance-guarantee-scheme-launched/>

IRD has said there will be no penalties or interest on tax payments due that are not paid on time due to COVID-19. This will include 2019 terminal tax due 7 April, and 3rd instalment 2020 provisional tax due 7 May 2020. If you are able to still pay your taxes as normal, please do so. At this point, they have not mentioned an extension on due date for GST returns up to 31 March 2020, which are due to be filed/paid by 7 May 2020. However clearly there will be no penalties on late payments, and they are encouraging those who can file their GST returns on time to do so, so that IRD can manage their own cashflow.

Unlike the Christchurch Earthquakes – this has affected everyone in the world. There will be flow on effects once it is “back to normal”. Some businesses that weren’t operating well before this, may not survive. Those that have “provided for a rainy day” will have fared much better. Customer payments may have slowed down, stock may not be available for you to continue to manufacture/sell. Keep in contact with your bank during this time. The Government needs our businesses to survive too as we are the tax-base for the future.

So now that you have more time (the world has indeed stopped like we sometimes wish for!) you could work on your business:
Find new income streams, can you offer online services?
Look for new opportunities, behind every problem is a business opportunity
Get your financial records up to date, timely that it is 31 March!
That means we can work on your income tax sooner. Especially good if your 2020 year is down on 2019, as this will reduce your 2021 provisional tax payments required (first payment would be due 28 Aug 2020).
Look at software systems, for those who aren’t on xero, you can try xero demo version.
Get up to date with any industry training
Do your filing!
Tidy your office, house, garage.....

Although there is no tax refunds now in relation to residential rental properties losses being applied against other income you are still required to file a tax return, as the losses will be accumulated and can be claimed in the future.

Amidst all of this the minimum wage rate has increased to \$18.90 for any employee 16 years and over, as from 1 April 2020.

As you know we have 2 offices in both Riccarton and Rangiora, which are clearly closed at the moment. **We will be moving our Rangiora office in Conway Lane, to the other side of Conway Lane as soon as we are out of lockdown.** So look for us over there – 188 High St – first floor Conway Building in Conway Lane.

We love all your referrals – please keep them coming.

Attached are details of what information we need at 31 March 2020. Please have a look at Tax Return Info and if you have rental properties also take a look at Rental Questionnaire and take action as necessary. The earlier your information is in, the quicker it gets processed and you then know your tax commitments for the coming year.

ABOUT US!!!

I believe we offer the best service in Canterbury – always available, prompt response to any enquiries, work performed accurately in a timely manner, always pleased to answer any questions, we have never had a stupid one yet. The only stupid ones are the questions that people don't ask.

We want your feedback. Like most people we love hearing how great we are and how fabulous our staff are, but if we haven't lived up to your expectations let us know that too.

We want to be your first call any time with any financial questions, whether you are buying or selling assets or a business, looking for mortgage finance, anything at all. We are always pleased to hear from you, and we would like more clients like you! Please keep sending your referrals.

Remember we are a small business too, same as you, chances are we have come across the same issues that you are dealing with. We can help! We don't claim to know everything but over the years have developed a trusted network of advisers that we can share with you. These include: database, marketing advice, insurance/superannuation/ACC, occupational health & safety, legal advice, employment contracts and law, finance and customer finance, credit control/debt collection, business & property valuations, property management, website development, payroll management, mentor/business/life coach, computer hardware &



software training/support, importing/exporting, trusts, strategic positioning, grooming your business for sale, – the list goes on.....