



Paul Duggan & Associates Limited
Chartered Accountants

ACCELERATE

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END OF YEAR – SPECIAL ALERT



WHAT SHAPE ARE YOUR END-OF-YEAR ACCOUNTS IN?

The end of the financial year can be either stressful or a seamless part of what you do. Ideally, your end-of-year accounts will confirm what you think your business has been doing for the past 12 months.

BE A GOOD SCOUT TO AVOID END-OF-YEAR MIGRAINE

Being prepared is the key to avoiding end-of-year financial drama and stress.



First make sure you have all the documents we'll need, such as PAYE statements, bank statements showing interest earned, dividend statements for shares, and receipts for expenses.

Don't forget receipts for charitable donations.



Look at writing off old debts. Scrap redundant or worthless assets, so you get a deduction on your books.



Print out profit and loss, balance sheet and general ledger listing reports and store them safely.



Have a final look at your payroll reports. You don't have to give summaries to your staff, but if you give them Earning Certificates, they can be used to check IRD information.



Note odometer readings on vehicles and ensure logbooks noting business and personal use, mileage and costs etc. are in order.



Dispose of obsolete stock by the year end or write it down to its net realisable value.



Talk to us on any planned dividend payments, as managing imputation credits will be important.



Finally, get us to work with you on reviewing your business plan and updating it for next year – and to review your accounting software.

**We'll probably adjust your reports or accounts.
Once we're done, lock all accounts relating to the financial year – and keep them secure.**

PARENTAL LEAVE PUTS AN ONUS ON EMPLOYERS

Prime Minister Jacinda Ardern probably won't take 18 weeks' paid parental leave when she has her baby this autumn, but New Zealand law says she's entitled to it.

Staff who've worked for you or any other employer for an average of at least 10 hours a week for any 26 weeks of the year preceding the birth or assumption of care of a child can take paid parental leave so long as they are the primary carer of the child and take leave to care for the child.

Whether that staff member can take extended leave without pay will depend on whether they have been employed with you for an average of 10 hours a week for the previous six months. If so, they can take six months' leave (in total, i.e. including primary carer leave). If they've met these criteria for a full year, their total leave is one year.

If employees give the right notice for the right parental-leave reason, you have to keep their jobs open until they return to work. If they're taking more than four weeks' parental leave, you have to keep their jobs open, unless those jobs are defined as key positions or there's redundancy.

If any of those jobs are key positions, or there's redundancy, affected staff go into a 26 week "period of preference" at the end of parental leave. That means that if any time during those 26 weeks you have a job that's similar to what they were doing, you have to offer it to them first.

*A job may be a key position because it needs special skills and there aren't enough people with those skills. Or it would take too long to train or find a temp to do the job. **Affected staff can disagree that their jobs are key positions.***

There are rules around communication regarding employee applications for parental leave and employer responses, and whether or not the employee is going to return to work. We can help you avoid stepping on any landmines here.

SAFE AS HOUSES: STOP PRESS!

Revenue Minister Stuart Nash has confirmed the bright-line test on residential property sales will be extended from two years to five years. At present, income tax must be paid on any gains from residential property sold within two years of acquisition, with some exceptions (such as the family home). The extension means that profits from residential investment properties bought and sold within five years will generally be taxable.

To make this happen, changes to law are currently making their way through Parliament. It is expected these will receive Royal Assent in March. And it is expected that this will affect properties acquired on or after the date of Royal Assent.

We will have more for you on this when the legislation passes. Meanwhile, if you are in the process of entering into sale and purchase agreements to acquire property, please give priority to discussing the tax implications with us.



KEY TAX DATES MARCH 2018

DATE	CATEGORY	DESCRIPTION
5 March	PAYE	Large employer returns and payments
20 March	PAYE	Small employers return and payment Large employers return and payment
20 March	RWT	RWT return and payment due for deductions from dividends and deductions of \$500 or more from interest paid during February
20 March	N-RWT / Approved Issuer Levy	Payment and return for February
28 March	GST	Return and payment for February

***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.*

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