



• 5/77 Williams Street, Kaiapoi • 03 974 9211 • admin@campbellca.co.nz •
• www.campbellca.co.nz •

December 2016 – Newsletter # 3



Campbell & Co Chartered Accountants Limited would like to wish all our valued clients a very Merry Christmas and a prosperous New Year.

It has been an incredibly busy 2016 and we would sincerely like to thank you for your continued support and loyalty. The team is looking forward to continuing our valued relationships in 2017 and providing you with the best possible service. We hope you all enjoy a safe and happy holiday season.

***The Campbell & Co Team – Trevor, Graeme,
Alan, Robyn, Matt, Christine***

CHRISTMAS OFFICE HOURS



Campbell & Co will be closed from 12.30pm on Thursday 22nd December, reopening at 8.30am on Monday 9th January 2017. If you require us urgently during this time please contact your accountant on the following:

Trevor – 022 354 6707
Alan - 027 900 9167

STAFF MOVEMENTS

Graeme Falloon has reduced his days of work to Tuesday, Wednesday and Thursday, with Thursday still out and about visiting clients. Graeme is still a very valuable member of our team and his expertise is valuable throughout the office. On a Monday or Friday if clients require information we have experienced staff in the office to answer your questions. Graeme's plans for 2017 are to carry on as he has done in the 2016 year.

Robyn Hassan joined our team in March 2016. Robyn has spent the last 36 years in accounting firms and brings with her a wealth of knowledge and expertise across all accounting fields.

Matt Plaisted joined our team in February 2016. Matt is currently working through his Chartered Accountant Qualifications.

Jon Jarman departed in February 2016 to pursue a roll with a Christchurch firm. We thank Jon for his contribution to Campbell & Co and wish him all the best in his future endeavours.

2016 ANNUAL INFORMATION REMINDER

Many clients have already completed their Annual Information Questionnaires and returned these to us along with their relevant information for the preparation of their 2016 Financial Statements and Income Tax Returns.

For clients who have not yet supplied their information, we need this as soon as possible. The period before 31st March is very busy for us. As a Chartered Accountancy firm we are required by Inland Revenue to have these filed by 31 March 2017. To allow us time to complete your accounting work please have your information to us no later than the 31st of January 2017. If you have misplaced yours please contact the office for another copy.

We are receiving more and more Annual Information Questionnaires that have not been signed by clients. It's a requirement for these to be signed.



REMINDER FOR RESIDENTIAL PROPERTY SALES

As you will now be aware the 'Bright Line Rule' applies to residential property bought on or after 1 October 2015. Under this rule you'll pay tax on income you earn if you buy and sell a house within two years, unless you're selling your main family home or another exception applies.

All existing property tax rules still apply – if you purchase a property with the intention of resale, any profit has been and still is taxable.

The bright line rule does not apply if you sell a property you've inherited. You do not need to pay income tax on a property that is transferred to you as part of a relationship settlement agreement, however, if you go on to sell this property within two years of its original purchase, the bright line rule will apply.

If you have a situation that may be bound by this rule, please contact us to discuss.

GST PREPARATION

One of the most valued services we offer to our clients is to remove the hassle and stress of preparing and filing GST returns.

By preparing these returns on your behalf, we can ensure that any issues in your accounts are dealt with when they occur, rather than waiting until the annual accounts are prepared. We have available a range of software products, such as BankLink, Xero, and Cash Manager Rural. We can select the most appropriate for your needs. We then use this technology to make the process fast, efficient and accurate.

As we already have the bank transaction details for the year, clients often find it easier to get their end of year information together, removing another cause of stress for busy business owners!

HEALTH & SAFETY

The new Health and Safety at Work Act 2015 came into force in April 2016. It is the biggest change to NZ's health and safety legislation and is part of a suite of law changes to address NZ's relatively high level of workplace death and injury.

Under the new law the business itself (defined as a Person Conducting a Business or Undertaking, PCBU) will have the primary duty to ensure the health and safety of workers and others affected by the work it carries out. However, the law also provides that everyone is responsible for workplace health and safety, including the business, "officers", "workers", and "other people".

Each of these roles is defined differently; however, the point is that they must all work together. Work Safe NZ is responsible for the overall administration of this new legislation and part of its regulatory role is to provide support to businesses to help them meet their health and safety obligations. We have spoken to a number of farming clients who have asked Work Safe NZ to help them to review their health and safety systems and have found them to be very good to work with.

If you haven't already got yourselves up to speed in this area then we suggest a good place to start is the Work Safe NZ website.

PROTECTIVE CLOTHING

The Inland Revenue has specific rules regarding expense claims relating to the purchase of protective clothing. Self-employed taxpayers are entitled to claim expenditure relating to the purchase of protective clothing and uniforms connected to the business they are involved in. Unfortunately general work clothes do not fall into this category. The clothing must be protective in nature e.g. rain wear, overalls, gumboots, safety boots, hats and specific clothing i.e. shearer's trousers etc... Gloves are generally protective in nature and are allowable along with

safety glasses. Ordinary prescription eye glasses do not fall within this definition. Uniforms must be a recognised part of your work uniform and display a logo or business monogram. When you are presenting your documentation for GST or Annual Financial Statements preparation, please ensure any expenses of a protective nature are clearly labelled as such so the appropriate claims are included.

INLAND REVENUE TAX SEMINARS & WORKSHOPS

With a view to developing understanding and encouraging on-going learning, we have on occasions identified and approached clients who we feel may benefit from the seminars and workshops that the Inland Revenue offer from time to time. There is no cost to attend and they include Introduction to Business, GST and Employer workshops. We have received some good feedback from clients who attended so can happily make you aware of these workshops and remind you of their availability.

While primarily useful to those who are new to business, the workshops may help to reinforce your understanding and clarify any grey areas of the overarching principles, even if you are not so new to self-employment. As we all know, nothing stays the same forever and in the ever evolving world of tax legislation it is important to be aware of changes in a broad sense to effectively manage your business. Should you feel you may benefit from some general information, you may like to consider attending an Inland Revenue workshop. More information is available here - <http://www.ird.govt.nz/contact-us/seminars/>

As tax professionals, we take responsibility for ensuring we are up to date with tax matters that can impact on your business and the tools that can maximise your tax position. We are always happy to answer your specific questions and are only a telephone call or email away should you wish us to consider your situation.

EMPLOYEES OR SELF-EMPLOYED CONTRACTORS

For income tax, GST, and ACC purposes, you must determine whether you are employing a staff member or self-employed contractor. It is important to note that a person can be self-employed in one line of work and still work for someone else as an employee in another line of work.

Employees generally do the work themselves in a set time as instructed by the employer. They can be told at any time what to do on the job and are usually paid at a set rate. They can get paid overtime and are bound by an employment contract. Employers are responsible for meeting their employee's tax obligations.

Self-employed contractors generally provide working equipment needed for the job, provide and pay for their own training and are responsible for getting the work done. Self-employed contractors are responsible for meeting their own tax obligations, however, if they are a sole trader i.e. not a partnership or company. Then in some circumstances you are required to deduct withholding payments unless they provide you with an exemption certificate.

STUDYLINK (STUDENT ALLOWANCE)

Student allowances have always been subject to a Parental Income test. During the last 2 years the definition of Parental Income has broadened considerably to include things such as income in closely held companies in which the parents have an interest, income in trusts that have been settled by the parents, and adjustments for when parents have used the Income Equalisation Scheme or Deferred payments.

The Studylink Student Allowance application form now requires a Parental Income Worksheet to be completed. Unfortunately a signed copy of each parent's income tax return

with the application is no longer accepted. If you are completing this worksheet and are unsure of what details to include or exclude then please contact us.

NOT-FOR-PROFIT ORGANISATIONS

There has been a significant change in the financial reporting and audit/review requirements for charities which commenced from 31 March 2016. This has led to much more onerous and prescriptive reporting requirements for Non-Profit organisations. This is a legislative requirement under the Charities Act 2005 but a large number of Charities (and their professional advisers) have underestimated the implications of the changes and have subsequently required help with preparing their financial statements in the correct format.

If you are involved in a Not-For-Profit Organisation and you feel that the new rule changes may affect you organisations please contact us for more information.

PAYROLL

Payroll is becoming a more and more onerous for employees. Payroll is complicated with Kiwisaver, Working for Families and other deductions and Entitlements. Our efficient service will give you peace of mind and allow you to concentrate on the things you are good at.



Disclaimer: This newsletter which contains information on subjects related to accountancy, taxation, payroll and business operation is intended for information purposes only. Hence this information is not intended to be taken as business advice.