

# HBT

## ACCOUNTANTS

BUSINESS ADVISORS & CHARTERED ACCOUNTANTS

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## SPRING IS HERE!

That's right, Spring has finally arrived.

While we embrace milder weather, the allure of leaving behind office tasks for something more thrilling can be quite tempting.

However, the shift in seasons presents an excellent opportunity to rejuvenate your business with a Spring Clean!

### A few tips to get you started...

#### Plan a Mid-Year Review

For many of you, September marks a half-way point in the financial year. If you're using Accounting Software, consider running a Profit or Loss/Income Statement report for the period that's elapsed so far.

How are you tracking? Do you need to consider tax liabilities at year end? Are there costs you could be cutting?

#### Consider your Cash Flow

Cash and Tax Position work hand-in-hand when establishing the health of your Business.

While Tax Position is established in the Profit or Loss Report, rules apply which determine whether cash outgoings may be deducted as an expense claim for tax purposes.

Cash Position takes into account the incomings and outgoings of all cash flows through the business whether these are deductible or not.

Cash Flow getting you down? Give us a call!

#### Set Goals!

After reviewing the health of your business, set some goals.

Goal setting ensures you stay on track and can make the home-stretch towards tax year-end a productive one. Try setting goals which are achievable but provide a bit of a challenge.

If you employ staff, think of ways you can get them involved - make it fun!

NEWSLETTER  
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# Taking the Plunge into Tax Pooling?

**Tax pooling has been around for some time, but recently gained popularity as a means to enhance tax management practices and free up cash flow.**

**This innovative approach offers several advantages, such as deferring tax liabilities and reducing interest expenses. Here's an overview of the benefits of Tax Pooling:**

- 1. Delayed Tax Payments:** Tax pooling enables businesses to postpone their tax payments to a later date (up to 75 days after your Terminal Tax date).
- 2. Interest Savings:** Tax Pooling intermediaries still charge interest on deferred payments - similar to the IRD. However, interest is generally charged at a lower rate.
- 3. Flexible Repayment Options:** Businesses have the option to repay a set amount each month or the flexibility to pay according to their cashflow - as and when they have the funds available.
- 4. Say Goodbye to Penalties:** Through the utilization of tax pooling, businesses can sidestep penalties incurred on outstanding payments with the IRD.

If Tax Pooling sounds like the right move for your Business, let us know - we'd love to get you started!



## Are you accounting for Business Use?

If your personal vehicle has been doing a few business runs lately, be sure to keep track of each Business related trip.

The current Kilometre rates (as set by the IRD) are as follows:

- Petrol or Diesel Tier 1 Rate: 95 cents & Tier 2 Rate: 34 cents.
- Petrol Hybrid: Tier 1 Rate: 95 cents & Tier 2 Rate 20 cents.
- Electric: Tier 1 Rate: 95 cents & Tier 2 Rate: 11 cents

Please Note: Tier 1 rates cover the first 14,000 kms while Tier 2 rates cover business travel over 14,000 kms.

# "The Best Way to Predict the Future is to Create it"

Check out our 5 key tips for creating a great Business Future:

## 1. Organise your Record keeping system.

Per the IRD, records must be kept for a period of 7 years. Keeping electronic copies are one of the benefits of our technological age and we encourage all of our clients to take copies of their records as they go (rather than waiting till tax time).

As an added bonus, Xero offers the ability to store records within your Accounting file. You can also add source documents directly to a transaction when it comes into the bank feed.

If you're on Xero and need help with this, let us know!

## 2. Run Regular Reports.

Accounting Systems such as MYOB and Xero offer the ability to run reports at set date ranges so you can check in on your Business progress at regular intervals during the year.

Be sure to use these to your advantage!

**Tax Savings Account**

**Keep Competitors in your Sights**

## 3. Maintain a Business Calendar.

Create a calendar which accounts not only for key operational dates but your tax/accounting dates too.

Be sure to work on a month by month basis and cover dates applicable to your Business such as PAYE or GST filing dates, tax payment dates and other important reminders such as to get records together for the yearly Accounts or carry out a Stock take.

## 4. Keep Competitors in your Sights.

In the current economic climate, it's more important than ever to keep an eye on the competition.

Remember - its not always about prices, what are your Competitors doing differently? How's it working for them? Can you step up your game?

**Organise your record keeping system**

**Run Regular Reports**

**Maintain a Business Calendar**

## 5. Tax Savings Account

This is one of our tried and tested new Business tips, but it's never too late to set up.

A Tax Savings account should be used (as the name suggests) only for your taxes.

A good rule of thumb is to put aside around 30% of your income and do so on a regular basis rather than in lump sums.

This helps to cover any unexpected tax payments and gives you piece of mind.

# Navigating Elections 2023

Get ready, because the upcoming elections are nearly upon us! In every election year, we witness a surge of excitement and anticipation surrounding the political parties and their policy agendas. However, this year's election carries a unique flavor. The past few years have been challenging, but there is a glimmer of hope as our economy starts to display signs of recovery. The outcome of this election will shape the course of our nation's economic rebound, as the incoming government will steer us for the next three years.

So, what are some of the Key Policies we're looking at this Election?



- Remove GST on Unprocessed Fruit & Vege
- Increase In Work Tax Credit \$25
- WFF to receive \$15/week boost
- Free Dental Care (Under 30s)
- Continue with Three Waters & Infrastructure upgrades including Auckland Light Rail
- 20 hours Free ECE & Apprenticeship Boost Scheme permanent
- Rebates of up to 30% for deep retrofit of homes (upgrade of homes all at once for insulation, double glazing, replacing gas)



- Reinstate Interest Deductibility for Rentals
- Cut Back Brightline Period to 2 years
- Increase In Work Tax Credit \$25
- Reinstate \$5 prescriptions (aid funding in cancer treatment)
- \$24.8b spend over 10 years on roads of national significance & public transport projects. Revoke Three Waters
- Scrap Teacher registration fees, restructure of school curriculum to improve NZs Programme for International Student Assessment Rating.
- Use of Kiwisaver for Rental Bonds (under 30s).



- Two Tier Tax System
- Abolish Brightline System



- GST off "basic foods" including fresh vegies, meat, dairy & fish



- \$385/week Income Guarantee (for unemployed)
- \$10K Tax Free Bracket



- Remove GST from all food
- \$30K Tax-Free bracket but introduce wealth tax & increase company tax to 33%

# Keeping up with the Calendar

## Key Dates to keep track of Next Month:

- October 28 - GST Filing & Payment due for 2 monthly & 6 monthly standard filers.
- October 20 - PAYE payment due for September

And Remember... December and the Holiday period is just around the corner. Now's the time to be planning with your staff to ensure workloads are covered over this time and (if applicable) thinking about business shut down periods over Christmas and New Years.

M	T	W	T	F	S
6	7	1	2	3	4
13	14	8	9	10	11
20	21	15	16	17	18
27	28	22	23	24	25



## What's happening at HBT?

Alot is happening for our Team at the moment, check out a few highlights below which we're keen to share:

October 14th marks a special day on our calendar as Trisha, Neera's daughter, is celebrating her first birthday! It's incredible how fast she's grown. Join us in wishing Trisha a very happy 1st birthday!

This month, our Senior Associate Paul is celebrating his first anniversary with the firm. It's been awesome working with you Paul, it's a priveledge having you on the Team!

Natalie has stepped into the Senior Accountant role at our firm. Congratulations Natalie!

## Don't Forget!

Election Day is 14 October 2023



Topics you'd like to know more about?

Let us Know!

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