



Autumn 2018

## ANTI-MONEY LAUNDERING LAW



On 1 October 2018 the Anti-Money Laundering and Countering of Terrorism Act 2009 is applied by reporting entities which include accountancy firms in practice, real estate agents, lawyers, conveyancers, high-value dealers and the NZ Racing Board. However, conveyancers and lawyers are the first sectors to be covered and they commence from 1 July 2018.

This legislation is designed to detect and report Money Laundering and is overseen by the Department of Internal Affairs and Financial Intelligence Unit of the New Zealand Police.

Osborne Group, as Chartered Accountants, will be required to report any suspicious activities or transactions to the Financial Intelligence Agency. Suspicious transactions include transfers of more than \$10,000, and any international transfers. Please note, these transactions would need to be of an unusual nature to be considered as suspicious.

In addition we need to complete a Risk Assessment for all new clients.

If you are one of the reporting entities as mentioned above, and you are not aware of these changes, please contact us for additional information.

## New team members

We have welcomed two new team members since our last newsletter.

### Heidi Lawson



Heidi joined the team in September to cover for Emma when she went on parental leave. Although Emma is coming back, Heidi has agreed to stay on permanently, which is a great win for Osborne Group!

Heidi gained her Bachelors in Accountancy from Massey University in 2015 and is aiming towards becoming a Chartered Accountant in the near future. She lives in rural Masterton with her three children who keep her busy, and she enjoys taking her dogs for runs.

### Svetlana Dumanovskaya

Svetlana came on board in February after six and a half years at another accounting firm. She will be finishing her Bachelor of Accountancy in 2018 and aims to become a Chartered Accountant.



Svetlana is originally from Crimea, Ukraine. She has been a Wairarapa local since 2001, and in her spare time she enjoys going hiking, and is passionate about cars.

## Minimum wage increase

On 1 April 2018 the minimum wage is set to increase by 75c, from \$15.75 to \$16.50 per hour for an adult.

The 'Starting-out' and 'Training' wages are increasing from \$12.60 to \$13.20 an hour.

You and your staff can agree to any wage above the minimum rate. If you have any questions please feel free to contact us.

# Payroll and Bookkeeping service

Among all of the services Osborne Group provides, one you may not be aware of is Virtual Accountancy – a full payroll and bookkeeping service.

We have members of the team who specialise in taking the hassle out of you needing to manage the administration relating to paying your staff, filing documentation with IRD, and dealing with the everyday 'paperwork' involved in running a business.

We are dedicated to providing exceptional service to you, and on your behalf, so you can focus on your business.

Examples of the specific services we can provide are:

## Payroll

After the initial set up, all you need to do is tell us how many hours your employees work each period and we do the rest. This includes calculating pay, issuing payslips and making payments to staff.

## Accounts receivable and payable

We can issue your invoices to your customers and follow up unpaid accounts to let you get on with making money.

Likewise, we can collate your invoices and manage the payments of your Accounts Payable.

## Managing your books

Reconciling bank accounts and updating accounting software, which can be time consuming and fiddly is a breeze for us.

If you would like more information about how we can help you to run your business, or about the fixed price options we can offer for these services, please contact us.



## BRIGHTLINE TEST CHANGES

Soon to be enacted legislation will extend the Brightline test on land transactions from two to five years.

These changes will mean that if you purchase a property and sell it within five years, income tax will be payable on any capital gains from the sale.

This applies only to residential property (including bare land on which a residential property is to be built), and there is an exemption for a person's main home (primary place of residence).

This will apply to land transaction entered into from the date that the bill receives the Royal assent, which is expected to be in March.

Please contact us if you have any questions or would like more information about these upcoming

## Key tax dates:

DATE	CATEGORY	DESCRIPTION
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	NRWT / Approved Issuer Levy	Payment and Return for period ended 28 February
28 March	GST	Return and payment due for period ended 28 February

## 2018 profit forecasting for farmers

The 2018 financial year has been a rollercoaster, with the weather shifting from being too wet to too dry, and then turning more favourable since Christmas, so we are seeing some very mixed results.

Added to this the downturn in dairy production, but higher payouts, we have seen an overall higher income. Beef and lamb have also experienced fluctuations, particularly based on timing of stock being sold.

We like to undertake an exercise of profit forecasting for our farming clients, to determine the estimated level of income that will be returned for the current tax year.

This estimation means we can make sure that you pay the appropriate level of provisional tax, rather than over paying it based on last year's trading result. Overpayment results in removing working capital from your business unnecessarily.

IRD policy on provisional tax has also been updated for the 2018 year with IRD not paying interest on any provisional tax overpayments, which can make

the overpayment of tax more costly for your business.

### How do we do this?

We estimate a projected profit to the end of your balance date. To do this we take into account actual income and expenses to date, along with previous year's trends and adjustments for changes in livestock values, to give an estimation of income and expenses.

### Want more information?

We will be directly contacting clients who we believe may benefit from this exercise, however please feel free to contact us with any queries.

## Greytown meeting space

Did you know that we have a meeting room available for hire in our Greytown office?

The Hupenui Room is a light, modern space with a state of the art projector, wireless internet and everything else you could need!

Feel free to check out the room out on the Sharedspace website ([www.sharedspace.co.nz](http://www.sharedspace.co.nz) – search 'Greytown') or get in contact to come and have a look or make a booking.



## Withholding tax for contractors



Recent legislation changes have tightened the rules around withholding tax for contractors.

As such, where a contractor is engaged through a labour hire firm (i.e. any instance in which there is a firm arranging for contractors to do work for clients), the labour hire firm will now be obligated to withhold tax from the contractor. This can lead to timing issues for tax payments, due to unforeseen teething issues with the legislation, and these may significantly impact on your business' cash flow.

If you are going to be contracting, please contact us to discuss the most appropriate business structure for you.

---

# Blackwell & Sons

## Client profile

---

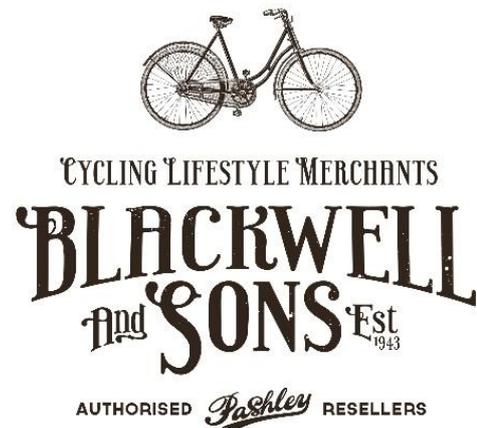
**Blackwell & Sons are a valued client of Osborne Group. We enjoy seeing local businesses like theirs flourishing.**

**Shane Kelly, Store Manager:** Running New Zealand's most beautiful bicycle shop in Greytown is a dream job. Before working at *Blackwell and Sons*, I used to visit the store and spend a long time just admiring the quality and finish on their exclusive range of Pashley hand crafted British bicycles. Now that I work there full time, I get to assemble the bikes, adjust them and service them. Often, I also get to deliver the bicycles to their new homes and experience the unique joy a Pashley owner feels every time I do that.

At *Blackwell and Sons*, we love Pashley's dedication to quality, longevity, performance and reliability. It's everything. It gives us huge confidence in attaching our reputation to every Pashley bicycle we provide to a discerning customer who appreciates what they are investing in.

I think you can tell that I love what I do. It's worth a trip to Greytown to see and ride a Pashley, because our village is a wonderful place to visit regardless. If you can't do that, take a look at our extensive range of Pashley bicycles and accessories on our website.

[www.blackwellandsons.nz](http://www.blackwellandsons.nz)



### Special offer

Buy any Pashley bicycle from Blackwell and Sons before 31 May 2018 and mention you read about them in the Osborne Group newsletter, and they'll give you a \$100 Blackwell and Sons Gift Card to spend on anything else in the store. *Offer cannot be applied to the purchase price of the bicycle.*

### 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.*