



Accounting CONCEPTS LTD

FOR ALL YOUR
ACCOUNTING NEEDS

Welcome to the fifth issue of our quarterly newsletter.

We hope to keep you informed of things happening at Accounting Concepts, key tax dates, business news and more.

News in Brief:

Working for Families – Best Start

Best Start is a Working for Families payment for children due or born on or after 1 July 2018. It is paid for up to three years. All families with children under 1 can get the \$60 a week Best Start payment (exception: you are not eligible to receive it in the weeks you are receiving paid parental leave from your place of work). Best Start is income tested in the child's second and third years. Visit www.ird.govt.nz for more information.

Invoicing

Cash flow is often a problem for small business – here are some suggestions for improving it:

- Send your invoices as soon as you can. Never wait until the end of the month.
- If it's a large bill, see if you can get progress payments (include this in your quote).
- Email your invoices – many people like to pay quickly so take advantage of this.
- No law says a person must pay their bill on the 20th of the month following receipt of invoice – you can make your terms what you like.

Accounting Concepts Ltd can cater for all your accounting needs:

- GST Returns
- Income Tax Returns
- Company Formation
- Farming, Business, Commercial and Rental Accounting.

OFFICE HOURS

The office is open: Monday to Thursday
9am – 4pm

3094



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KiwiSaver for Self-employed How does it work?

KiwiSaver is very flexible if you're self-employed. You're not required to contribute a set percentage of your pay. Instead you can agree to your contribution level with your KiwiSaver provider. Some providers may have minimum contribution requirements. You can either:

- make lump sum payments when you choose, or
- set up regular payments.

Benefits for self-employed people

If you're self-employed you can enjoy all the benefits of KiwiSaver except the employer contributions. When you join, if you're eligible:

- the Government will pay an annual member tax credit (Government contribution) – up to \$521 per year.
- you'll be able to take advantage of the first home buyer's benefits.

Joining KiwiSaver

You'll need to join directly with a KiwiSaver provider of your choice by requesting a product disclosure statement and completing an enrolment form.

See www.kiwisaver.govt.nz for more info.

KEY TAX DATES:

Date	Category	Description
20 August 2019	PAYE/ Employer Deductions	Small employers return and payment
28 August 2019	Provisional Tax	Payment due for March End of Year Balance Dates
28 August 2019	GST	Return and payment for periods ended 31/07/19
20 September 2019	PAYE/Employer Deductions	Small employers return and payment
21 October 2019	PAYE/Employer Deductions	Small employers return and payment
29 October 2019	Provisional Tax	Payment due for May End of Year Balance Dates
29 October 2019	GST	Return and payment for periods ended 30/09/19

Reminder: PAYE is still due on the 20th of the month, Payday filling happens every payday.

Common Profit Mistakes!

Profit is NOT your Salary

Many new business owners assume any surplus profit is what they should take out of the business as their salary. But profit has other purposes than providing a salary.

Your salary should instead be included as part of business costs, so profit more accurately becomes any surplus money left over after you have taken your salary and paid all other costs (including tax).

All businesses need profit and its purpose is to sustain and grow your business.

Of course, it may take some time for a start-up business to reach the break-even point and start making a profit. But in the medium to long term, you need to aim for a salary that is at least in line with what you could earn elsewhere as an employee – and preferably better. Otherwise, what is the point of all the risk and hard work in starting a business?

You also need to aim to make enough profit to continue growing your business and renewing the assets that help it produce the wealth. See Nicola at Accounting Concepts Ltd if you would like to discuss sustainable profit levels in your business.



"You rob from the rich and give to the poor, but you don't get any receipts?"

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