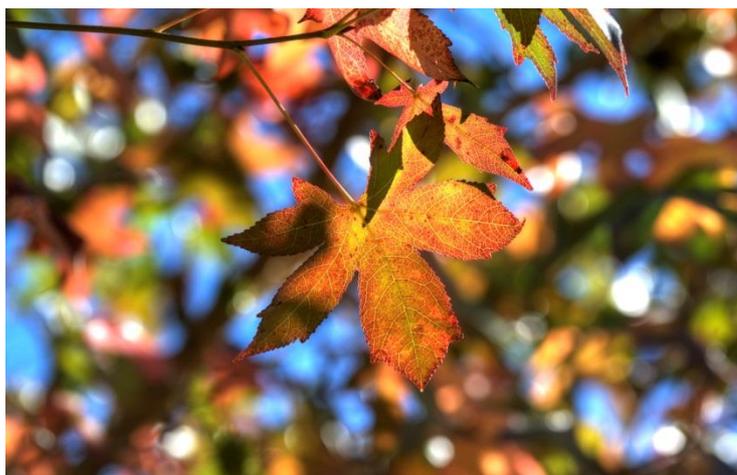


laydoddnews

Autumn 2016



2016 YEAR END CHECKLISTS

are available from our website at:

<http://www.laydodd.co.nz/accounting-tax-facts/auckland-tax-services/>

Please contact us if you would like us to post out your checklists.

Join the Mobile Revolution

Mobile devices are amongst the most significant technological and cultural revolutions in history, having changed the way we communicate and socialise with one another.

It is predicted that by the end of this year, 4.8 billion people globally will be using a mobile phone. Forrester, a large and influential US-based technology and market research company, has just issued a report titled "How mobile will transform business in 2006".

Summary of findings

Forrester predicts that mobile will act as a catalyst to transform businesses in the "Age of the Customer" and that, by the end of the year, more than 25% of companies will use mobile as a fully integrated part of their overall strategy.

The revolution is still in its infancy, offering huge potential opportunity, but 2016 may be a defining year for many who hop on board.

Consumers will stop considering mobile as a scaled-down subset of the Internet. Mobile phones will be the device of first choice, but buyers will increasingly turn to a handful of top apps such as Google, WeChat or Facebook to get the content and services they need. Why? Because it will be more convenient to navigate on a single platform rather than app-hopping. These giants will continue to mushroom, accumulating vast audiences and rich data about consumers.

Over 60 percent of those with mobile strategies and budgets are expected to invest in apps to boost productivity. It is forecast that the positive impact on employee and customer satisfaction will be significant.

Don't think this is not for you

So where does this leave the small to medium sized business operating in New Zealand? Some initial thoughts:

1. It is reasonable to expect that a business that gets it right with mobile will be at a competitive advantage compared to others that miss out in the early stages of this revolution.
2. Most small business owners don't realise how much untapped potential there is for them to benefit from this technology, so there may be a window of opportunity for you to get a head start in your industry or market.
3. You don't necessarily need to reinvent the wheel when it comes to using mobile technology effectively to help your business, but it does pay to be creative and think outside the box.
4. If you struggle to find the right options for your business, there are experts available to help.
5. It may be more achievable and affordable than you think.

Take the plunge

Do your homework – Consult others, research online – check competitors and other businesses, as well as mobile solutions to get ideas – and come up with a basic idea of what you are trying to achieve. Find some potential providers based on success stories and references and get to the point where you have a preferred supplier and an idea of the options and the cost.

Develop a strategy and take the first step – You don't have to do it all at once. Depending on the costs and a conservative assessment of the benefits, start small with something that is very manageable and affordable.

Revise the strategy as you learn what works for your business and what could be done differently.

Measure the results – Note that some of the benefits may not be as immediately obvious as others. Your business is likely to benefit in time from the perception that you are customer focused and up with the play.

ESSENTIAL HOUSEKEEPING FOR END OF YEAR

- **Stock:** Dispose of obsolete trading stock by 31 March or write it down to net realisable value (lesser of cost or market value). If the stock is worth less than \$10,000 and your turnover is less than \$1.3m for the year, you won't need to include your stock movement for tax purposes.
- **Credit Notes:** Credit Notes issued to customers after 31 March may be applied to the previous year, potentially reducing the current year's taxable income.
- **Debtors:** Have you taken reasonable steps to recover bad debts? If so, and you write them off before 31 March, you may be able to claim a deduction.
- **Employee Expenses:** Amounts owing for holiday pay, bonuses, redundancy payments, long service leave etc. can be claimed, if you have committed to them at year end and they're paid within 63 days.
- **Expenses:** Can you pre-pay any expenses before 31 March? You may be able to claim for them.
- **Fixed Assets:** Do you have any that you are no longer using or don't intend to use in future? If so, the book value may be able to be written off.
- **Planned Maintenance and Repairs:** If any significant maintenance or repairs are due, bring this forward to get an early tax deduction.

Cash Economy



As you may be aware already, the IRD is actively looking at the construction sector for undeclared income.

Some of you may have been contacted by the IRD with a flyer in the GST packs that outlines what they are doing and the approach.

The flyers from the IRD are simply reminding everyone of the obligations required of every taxpayer.

The Construction sector is the initial start of a campaign to remind all taxpayers of the consequences of not declaring cash income.

7 APRIL TERMINAL TAX PAYMENTS

For those of you that have terminal tax to pay for 2015, the reminders will be sent out next week.

If there is any difficulty in meeting the payments, please get in contact with us.

Any arrangement for overdue tax should be in place before the due date and agreed with by the IRD. Late payment penalties and interest costs can be significant if not dealt with promptly.

The IRD have also signalled that they may be in contact via post and text to remind taxpayers of the amounts due.



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.