



CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

2017: A YEAR OF CHANGE

NZ First's coalition with Labour brought National's 9 year reign in Government to an end. However, with a 56 seat contingent National will be a strong, and experienced, opposition party over the coming three years.

We are yet to see any significant impact from the change to a Labour Government with the promise that any outcomes from their Tax Working Group (yet to be established) will not take effect until the 2021 tax year.

Our Region remains in a strong position from a growth perspective. However, activity in the residential housing market is slowing with house prices remaining steady in recent months. The University of Waikato tertiary campus is well underway, which will assist to revitalise our city centre.

We wish you all a Merry Christmas and a prosperous New Year.

We look forward to catching up with you in 2018 for another year of strong business performance in the Region.



CHRISTMAS DATES

The offices close at 12.00 pm Friday 22 December 2017 – Reopening 8.00 am Monday 15 January 2018.

If you have a situation arise during our closure period that requires our immediate attention, please phone:

Steve Read: 027 570 1172
Eric Woudberg: 027 448 0983
Natalie Milne: 027 277 0362

Steve Read
Steve Read
Principal

Raimarie Pointon
Raimarie Pointon
Principal

Eric Woudberg
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Principal

Natalie Milne
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Principal

HAVE YOU PROVIDED US WITH YOUR 2017 RECORDS?

With the New Year fast approaching, 31st of March 2018 won't be far behind.

A friendly reminder to all clients that have not yet sent in their 2017 records to please do so as soon as possible to ensure that your work is completed by 31st March 2018 deadline for filing 2017 Income Tax Returns with the IRD. Please do not hesitate to contact our office should you need assistance determining what records we require.



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A magnificent view from the docking yards at Mungaheia Station overlooking the rolling hills towards Tologa Bay.

DEDUCTIBILITY OF FARMHOUSE EXPENDITURE

The Inland Revenue has issued revised guidelines on the deductibility of expenses relating to the use of farm houses as offices for a farming business.

Previously Inland Revenue has allowed a standard 25% deduction for farmhouse expenses and a full deduction for interest and rates. Many of these concessions were negotiated with the farming industry in the 1960s.

The Inland Revenue's revised guidelines updates and replaces these concessions with a revised approach, which apply from the commencement of the 2017/18 income year.

The Inland Revenue's revised policy distinguishes between two types of farmers, referred to as Type 1 and Type 2 Farmers.

Type 1 Farmers

A Type 1 farming business, which includes sole traders and partnerships, is where the value of the farmhouse (including curtilage and improvements) is 20% or less of the total value of the farm.

If Farmers fail the Type 1 test based on cost, they

can apply for a market valuation to ensure they pass the test. For example, a market valuation would be beneficial in the situation where a farming property had been held for a significant period of time, but a new farm house has recently been built.

Type 1 Farmers are able to claim an automatic 20% deduction for farmhouse expenses (without evidence) and a 100% deduction for interest and rates.

For claims in excess of the 20% deduction, supporting evidence will be required.

Type 2 Farmers

A Type 2 farming business is one where the farmhouse value is more than 20% of the total value of the farm.

Type 2 Farms include orchardists and bloodstock farmers, where the farming activity is full-time,

but the cost of the farmhouse relative to the total value of the farming property is significant.

The Inland Revenue will not accept a minimum percentage deduction for type 2 farmers.

These farmers may only claim deductions for interest, rates and other home expenses relating to the actual use of the farmhouse for business.

A "home office" calculation will be required to determine the percentage of the house used for business. Any claim for expenses, interest and rates will be limited to this percentage.

Previously all farmers were entitled to claim 100% of their home phone rental as a business expense. From the 2017/18 year farmers are limited to a 50% claim of the fixed line rental and a deduction for the actual business toll charges.

Please contact either Steve Read or Natalie Milne should you have any questions specific to your circumstances.

OPTIONS FOR CLAIMING VEHICLE EXPENSES IN A COMPANY

Closely held companies (a company with five or fewer shareholders) that make vehicles available to shareholder-employees for private use can now elect to use a log book arrangement to claim a portion of the vehicle expenses, for vehicles purchased on or after 1 April 2017, for income tax and GST purposes instead of having to deal with the FBT issues that arise by default in this situation.

Using a log book won't be the best option for every situation, but it may give a better result in cases where there is high business use and/or a high purchase price.

We understand that completing vehicle log books can be an onerous task, so we are currently exploring the use of LogbookMe.

LogbookMe is a cloud-based online platform which uses an on-board electronic recording device to log data about a vehicle's trip.

LogbookMe can be used by New Zealand individuals and businesses to record all vehicle journeys.

It allows the driver to classify and generate reports on the business use of the vehicle. This subsequently enables the calculation of a business use percentage.

We hope to have a few of the on-board electronic gadgets available in the office for our clients use in the near future.

We'll be keeping an eye out for vehicle purchases where this option may benefit our clients.

For more information please contact Natalie Milne.

EVENT NEWS

YOUNG READ WOUDBERG LINKT AWARDS & BALL

We were proud to be the principal sponsors of the LinkT Awards and Ball that was held in October. The LinkT Awards set out to recognise the achievements of the region's young people in Business. Partner, Natalie Milne, handed over the judging reins to one of our Manager's, James Sherson, this year. With an impressive group of nominees, James had a tough job on his hands.

The award winners for 2017 were:

Young Read Woudberg Young Business Owner of the Year:
Adam Taylor Architecture

Holland Beckett Young Employee of the Year:
Jamie-Lee Doherty of C2 Design

Archistudio Social and Environmental Award:
Krista Davis and the Live For More Trust

Mediaworks Employer of the Year:
Lysaghts Consultants

Priority One Young Innovator of the Year:
Rueben and Melissa Wood of Woods Agency



Some of the YRW team and friends enjoying the evening festivities.



James Sherson with Adam and Jamee Taylor of Adam Taylor Architecture.

WESTPAC BUSINESS OF THE YEAR AWARDS

Raimarie Pointon continued her role of head judge and financial assessor for the 2017 Westpac Business of the Year Awards, which were held on Friday 10 November 2017. Raimarie was impressed with the high-calibre of local business that entered the Awards this year. We congratulate the award category winners which were as follows:

Westpac Tauranga Business of the Year:	1st Call Recruitment
Retail Excellence:	Paper Plane
Emerging Business:	Maker Studio Ltd
Manufacturing and/or Distribution:	Bethlehem Coachlines
Embracing Digital Technology:	1st Call Recruitment
Tourism and Hospitality:	Pacific Coast Lodge Ltd
Service Excellence:	Tauranga Veterinary Services Ltd
Social Enterprise:	Te Puke Gymsport Incorporated
Sustainable Business:	Paper Plane
Customer Service Award:	Bureta Physiotherapy Ltd
Workplace Safety Award:	Tauranga City Council
Business Innovation:	Property Managers Group
Corporate Leadership:	Tui Products



WORKING SMARTER: USING XERO ADD ON RECEIPT BANK

Processing end of month creditors can often be a very time consuming task.

Add on Receipt Bank integrates seamlessly with Xero to automate manual book keeping tasks saving you time and money in processing end of month creditors.

Receipt Bank extracts the information from your suppliers receipts and invoices quickly, accurately and efficiently. With Receipt Bank's superb integration, all your client data flows straight into Xero with no chasing and no data entry.

Relevant information from the invoice or receipt is extracted to Xero once authorised, or there is the option to enable auto publishing to Xero.

Rules can be set up in Receipt Bank to allocate the expense to the correct account category in Xero. You still have the ability to edit the coding in Xero if you decide that the transaction needed to be allocated differently.

The invoices and receipts are processed in Xero as Bills, or Spend Money transactions, enabling you to match to the actual bank transaction in the Xero bank reconciliation.

A copy of the invoice is automatically attached to the Bill in Xero allowing for quick viewing of the original invoice when required.

If you are interested in finding out more about Receipt Bank, please contact our office and ask to speak to Lindie Williams.

Staff News

Arrivals

We welcome Angela Vowles as a Senior Accountant. Angela has 30 years' experience in business advisory services in the Tauranga region.

Cody Paget joined our Tauranga office as a Graduate Accountant. We are thrilled to have Cody as a part of the YRW team.

Neena Mohn joins our growing Te Puke office as an Intermediate Accountant. Neena has several years' experience in business advisory services.

Shannon Benefield has also been welcomed to the YRW administration team. Shannon is our client services and administration support person.

Departures

Reluctantly we said farewell to Stephanie Pound as she set off for her overseas experience.

Rebecca Maulder has also left to pursue other career opportunities.

We wish Stephanie and Rebecca all the best for the future.



Angela Vowles



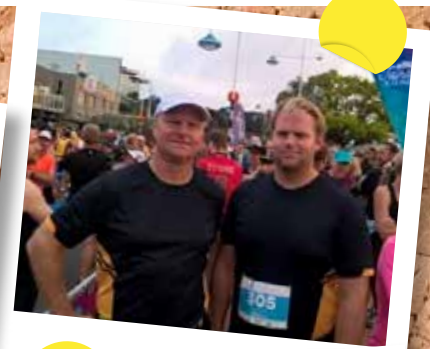
Cody Paget



Neena Mohn



Shannon Benefield



YRW 8 Week Challenge

All good employers actively promote the health and wellbeing of their staff, right? We thought we'd do something different and offered an opportunity for all staff to take part in an 8 week health and wellness challenge. This involved a series of workshops to motivate and educate, and an offering of two YRW exclusive group fitness classes at Beyond Fitness' studio on Devonport Road. It proved to be a great success and a fantastic team building exercise.



A Trip to the Pyrenees, France

Steve recently returned from a trip to the Pyrenees with some fellow cycling enthusiasts. Some serious hill climbs were involved! During his trip Steve also managed to watch a couple of legs of the Tour de France.



Tauranga International Marathon

An impressive number of the YRW team participated in the Tauranga International Marathon in October 2017. Eric Woudberg and his son Simon completed the Marathon with others competing in the different distance options.

Well done everyone!

CONTACTS

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VISIT US:

Carparking

We have six client carparks available underneath our building with entry from Anson Street. Please feel free to use them when visiting our office.



IMPORTANT:

This newsletter is intended to be of a general nature only and should not be relied on in making business or personal decisions without first seeking advice from this office.