

CHIEF EXECUTIVE

Graham Russell • graham@marriotts.co.nz

CLIENT MANAGERS

Maureen Jacobs • maureen@marriotts.co.nz

Anne Eggleston • anne@marriotts.co.nz

Nigel Erwood • nigel@marriotts.co.nz

David Hackston • david@marriotts.co.nz

Aaron Cassidy • aaronc@marriotts.co.nz

Rochelle Marriott • rochelle@marriotts.co.nz

TAX MANAGER

Robin Cullen • robin@marriotts.co.nz



2nd Floor, 137 Victoria Street

PO Box 4160, Christchurch 8140

T. 0064 3 379 0829

F. 0064 3 366 7144

E. office@marriotts.co.nz

W. www.marriotts.co.nz





Marriotts^{Ltd}
OUR SOLUTIONS@WORK

March 2011

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Marriotts

Another Earthquake

Dear clients, friends and colleagues

The earthquake and subsequent events of 22 February for us in Christchurch are just another reminder to us of the need to have relationships (friends, family, communities) that can last both good times and hard times.

This time, for many, is a hard time. As I write this introduction to our newsletter, Marriotts are working in five separate and temporary workplaces. For us, we were fortunate that we could be up and running quickly with minimal impact on our service levels to our clients. It wasn't easy though. I want to acknowledge the Principals of our firm who took on a leadership role naturally and with determination, our staff who took care of their families and carried on with their professional work without delay and with commitment, and our clients who have shown perseverance and a steely commitment to get on generally – make things right.

In hard times our actions and focus is on initiatives that are both urgent and important. We don't have time for the niceties of life often, and for the extras. We also are reliant on those friends, family and trusted advisors that we can rely upon.

For us the assistance, advice and solutions that we offer are based on pragmatic recommendations that work. We need to go back to the basics of a successful business and sound management systems. Remember, we can help you in a variety of ways, maybe ways you may not have thought to ask us about before – try us.



Thanks



Graham Russell
Chief Executive



Do you know about Marriotts Secure Area?



Did you know that Marriotts' computer system, our website, has a secure area for you to send us important information? This area can be used to send us confidential documents, a quick and easy way to exchange information securely (e.g. MYOB backups, Payroll backups and any Microsoft Office or PDF documents). We can also send you information that we think is relevant and you can easily access it at any computer via the internet. This includes your financial statements and tax returns if you wish.

There are a number of benefits in using our secure area, these include:

- » Information transferred is often of a confidential nature so this process is a great way to ensure that required documents reach the intended participant first time, confidentially. The information uploaded can only be accessed by users with the correct password and user name ensuring that documents are secure.
- » It is possible to have files that more than one individuals can access (i.e. financial statements and company/partnership tax returns). This is possible, by ensuring that each individual has a username and password which is linked to one client folder.
- » The secure area allows large files to be stored (e.g. MYOB backups). This removes the problem of oversized emails being bounced or blocked.
- » Information can be uploaded from any computer via the internet which makes it easy and secure from wherever you are in the world.
- » The programme is easy to use allowing anyone to take advantage of it. It makes it easy to locate a required document, as they are categorised in a folder structure.
- » You can automatically have content removed from a secure area at a pre-determined date you select. This allows new, more up-to-date, information to replace it.
- » As soon as new documents are uploaded to the secure area by clients, Marriotts are instantaneously notified by email ensuring that we get your information and documents promptly.

If you would like to use our secure area to send and receive files as a client of Marriotts, then please contact Rachel Dunn (on racheld@marriotts.co.nz) to arrange the setup of your personal secure area. The only information that we require is your email address and your entity's trading name.

Written by Emma Marriott & Curtis Mitchell



Rachel Dunn

“FROM THE CLASSROOM”

WHAT WAS SIR WALTER RALEIGH FAMOUS FOR?
HE IS A NOTED FIGURE IN HISTORY BECAUSE HE INVENTED
CIGARETTES AND STARTED A CRAZE FOR BICYCLES.



People do read our newsletter!!

In the November issue (last one) we spoke of insurance and how one needs to carefully scrutinise the wording of an insurance policy.

Well that's certainly true but a close associate in the insurance field referred to important changes that have been made to insurance for leased premises. Effectively, where landlords have agreed or are required by the lease to insure the premises and where insurable loss or damage occurs, the landlord cannot pursue the tenant in respect of that loss or damage (even if the landlord in fact failed to insure or if there is a shortfall), unless the tenant caused the loss or damage, or the tenant's actions have rendered the insurance monies irrecoverable.

Thanks Lance.

Always check your exact position with your broker. – "Ed"

Check those invoices for advertising

It's always worth checking invoices received for advertising.

Some outright scammers will send an invoice for advertising which is never published.

Other legitimate businesses sometimes scan your ad from another publication in which it has appeared, then print it in their own publication without your authority. They then send you an invoice, along with a copy of your ad as it appeared in their publication.

Always ensure you or someone in your organisation has authorised the advertisement before paying an invoice. Unscrupulous businesses count on you not checking.

TAX CALENDAR



APRIL 7

2010 Terminal Tax
(March balance date)

MAY 7

3rd Instalment 2011
Provisional Tax
(March balance date)
GST for March 2011

MAY 28

1st Instalment 2011
Provisional Tax
(December balance date)
GST for April 2011



Another Tax year comes to an end...

We strive to improve our service quality and delivery. Our experience shows that we provide the best service to you when:

- » you use accounting software
- » you complete our on-line questionnaire
- » all of the financial records we need are obtained (in an ordered way) before we start your work.

Last year we used a web based questionnaire, rather than posting out the traditional gaudy coloured paper questionnaires to all our clients. Our results indicate when used these questionnaires allowed us to complete jobs more quickly than otherwise and generally that means at a lower cost to you!

As these web-based questionnaires retain information from year to year the amount of time needed to complete them should reduce each year you use them. Also, they generate a check list of records we need. We should get everything we need before we start your work. This will mean less annoying phone calls and emails from us and faster completion of your work.

We encourage you to use this web based questionnaire. The questionnaire can be used in a number of ways.

1. You complete it on line, print it, sign the disclaimer, and then bring your records into us, or we come and collect them.
2. We can complete it, together, over the phone and then you print and sign the disclaimer, and bring your records into us or we come and collect them.
3. You can come into our office, with your records. Your Client Manager can complete the form on-line with you and, after printing, you sign the disclaimer
4. Your Client Manager can come to you, complete the form with you, print and sign the disclaimer and bring the records we need back to our office.

Like a lot of web based tools (internet banking, buying and selling of second hand goods, staff recruitment and even the census) it will need a username and password but these, along with instructions, will be emailed to you by the end of March.

If you have any questions about these questionnaires contact me or your Client Manager.



David Hackston
david@marriotts.co.nz

“FROM THE CLASSROOM”

NAME ONE OF THE EARLY ROMANS' GREATEST ACHIEVEMENTS?

... LEARNING TO SPEAK LATIN



Get ready now for year end

It's time to check you have done everything possible to save tax before the year end.

New clients

If you have not already done so, see us to discuss your accounting system. Clients who prepare work for us without consultation often run up unnecessarily big bills. The more compatible your accounts are with our systems, the more efficiently we can work with them.

Did you know a 6.67% tax discount is available to sole traders and partnerships for their first year in business? It's not a wonderful present but it will probably beat anything you can get from a bank and it's tax free.

Bad debts

Write off bad debts before year end. Leave a trail to prove they were written off in time.

Retentions

Do you have to wait for retentions to be paid to you? Any amount you have invoiced before 31 March but is not due for payment until after that date, can be held over, for income tax purposes, as income for the next year.

Stock

If your sales are less than \$1.3 million and your stock (inventory) holding at the end of the year cost you less than \$10,000, you do not need to count it. You can use the same stock value as last year.

You must keep records sufficient to show it was worth less than this amount. The best thing to do is to count the big items and note the rest are rats and mice. This shouldn't take much time. Keep a note of what you did.

Have a sale and dispose of dead stock now. If you don't, it must be valued at its cost, unless you can prove it has a lower market price. A guess is not acceptable. You have to find evidence to support the price. This can be difficult to find.

Plant and equipment

Any item you, or any related person, no longer intend to use, can be written off if the cost of disposal will exceed any amount you might get from its sale. You cannot write down equipment by any more than its depreciation rate.

Other suggestions:

- » Advance payments for travel are deductible when paid.
- » Update your stock of stationery.



"FROM THE CLASSROOM"

NAME SIX ANIMALS WHICH LIVE SPECIFICALLY IN THE ARTIC?
... TWO POLAR BEARS, ~~THREE~~ FOUR SEALS



New GST rules from April – how this will affect you

From April 1, special GST rules have been created when a sale involves land.

The buyer has to declare, in writing, whether the property is going to be used for a GST activity, such as commercial rent. If it is and the buyer is GST registered, then the whole transaction is zero rated (no GST involved) just as though it were a business sold as a going concern.

Cars and other assets

For companies, cars will be treated as fringe benefits in the usual way. The rules for sole traders and partnerships are now much more logical.

If you buy a car and intend to use it say 30% for private running, then you claim only 70% of the GST. Full marks to IRD for getting this right. However, if you underestimate your private running by 10 percentage points or more, or when you recalculate the GST claim, the difference exceeds \$1,000, you have to make an adjustment.

Percentage points are the difference between two percentages. If you start with 70% and move down to 61%, you have moved 9 percentage points.

Suppose you bought a car for \$46,000. The GST content is 3/23 of \$46,000, or \$6,000. You claim 70% (\$4,200). If your business use goes down to 61%, no adjustment is required because the movement is less than 10 percentage points.

But you must also see if the effect is more than \$1,000. Sixty-one percent of \$6,000 is \$3,660. You claimed \$4,200. The difference is only \$540 so no adjustment is needed.

Inland Revenue does not have a reputation for great generosity. When you sell the car, there is a wash-up. Assume your actual business running averages 61%. You will repay most, but not all, of the \$540 at that time. Why not all? Well, let's just say there's a complicated formula which is not easy to explain. If you ask when we see you next, we'll tell you the details.

When you exceed the 10 percentage points or the \$1,000, we also have to apply the formula. It involves going back each year to the beginning and redoing the calculation. That takes time and adds to costs.

One of the nice things about these new rules is that you don't have to go on year after year making private use adjustments, because it all comes out in the wash-up.

IRD has decided you can claim all the GST if the asset costs \$5,000 or less. You make just two adjustments, if needed, up to \$10,000, five adjustments from there to \$500,000 and 10 adjustments if the cost is more than \$500,000.

How does it affect you?

Be accurate with your private use estimate. If you think it is going to go up over time, aim a little low with your GST claim. In the above example, a 60% adjustment would have been a better choice. Remember, it will all come out right in the wash-up when you sell.

Other changes

Income from farmstays and homestays is subject to GST from 1 April 2011. If your business does not generate \$60,000 revenue, you will still not need to register.

Property developers, who generate domestic rental income while their project progresses, have a new and easier formula for working out their GST adjustment.



Horrible old man laid to rest aged 125

Gift Duty lingers on painfully until 1 October 2011.

The duty was born in 1885 and in October it will be officially dead. Its demise means:

- » No more annual gifting.
- » You can gift as much as you like whenever you like to whoever you like (or don't like if you prefer it).
- » No more carefully worded agreements for loans between family members for fear that not charging interest will be considered a gift. For example, if you lend your children money to buy a house you will no longer need a formal agreement with them, although a mortgage document might be prudent.



Keep a record of efforts to recover bad debts

Record your attempts to collect bad debts. Refer to your notes when talking to bad payers so you can remind them of what they said previously.

Your notes will also be useful if you have to write off the bad debt and you are later required by Inland Revenue to justify your write-off.

If you have made a charge which should never have been invoiced, this is not a bad debt. If you have to issue a credit note after balance date and the invoice was issued before your balance date, you should remind us, when preparing your annual accounts, to reduce your sales figure by the amount of the credit note issued.

Important

If you have bad debts, you must write them off before your balance date (for most people 31 March).

Writing off can mean different things to different people. If your records are very simple, it might be enough to write across your copy of the invoice "written off on (date)". Before you are allowed to write off a debt, you must have taken all practical steps to recover your money.

Writing off a debt does not stop you from continuing efforts to get paid. If you get some of your money, it is taxable income.

"FROM THE CLASSROOM"

NAME THE WIFE OF ORPHEUS, WHOM HE ATTEMPTED
TO SAVE FROM THE UNDERWORLD?
... MRS ORPHEUS



Working for Families loopholes closing

Loopholes have been closed which allowed families to access the Working for Families (WFF) rebate when they had a reasonably good family income.

When calculating income for WFF purposes, the following sources of income may have to be included (there are some rare exceptions):

Family trust income.

Fringe benefits.

Deposits into an Income Equalisation Account (for farmers).

Half of pension or annuity scheme income.

Passive income of dependent minors, like rent and royalties and money attributed in a PIE, unless it is locked up until retirement as well as any distributions from a PIE, but excluding any payments to minors from a family trust totalling less than \$1,000.

Non-residents' foreign-sourced income of the person's spouse, civil union partner, or de facto partner.

Income replacement payments.

It includes the value of payments

(a) paid or provided to the person from any source; and

(b) used by the person to

(i) replace lost or diminished income of the person or the person's family;

(ii) meet usual living expenses of the person or the person's family.

There are exceptions to this, one is student loans.

If the amount paid to the two partners is no more than \$5,000 in total this source of income can be ignored.

How does it affect you?

You must tell the IRD if you are getting money or income from these sources. Therefore you need to give us this information when we prepare your annual tax return.

Evading Student Loan Payments?

The IRD has been contacting student loan borrowers who are living in Australia regarding their student loan repayment obligations.

Most borrowers they have contacted have been happy to enter into arrangements to repay their loans, but several people have told Inland Revenue in no uncertain terms where to go. As a consequence, the IRD is taking around 10 test cases to court in order to recover the money.

These borrowers could face civil and/or criminal charges. Civil charges would involve a claim for the amount owed, whereas criminal charges could be up to three times this amount if they are tried for evasion of a repayment obligation.

Australia is the first country in which the IRD has sought to locate repayment evaders as it is the easiest place for the IRD to get information from. Similar action could take place in other countries in the future.



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Marriotts

"FROM THE CLASSROOM"

WHERE WAS THE AMERICAN DECLARATION OF INDEPENDENCE SIGNED?

... AT THE BOTTOM

GST Refund Delays

The timely release of a GST refund by the IRD can be an important element of a business's cash flow, especially in today's economic climate. However, recent court decisions regarding the rules under which the IRD operate has created an unfavourable situation for taxpayers.

Simply put, the GST Act prescribes that the IRD is required to release GST refunds within 15 working days of receiving a GST return. If it is not satisfied with a return, the IRD has 15 working days to either request further information or notify the taxpayer it intends to investigate the return. However, in some situations the legislation is unclear and open to interpretation. This has been highlighted in recent cases heard in the Supreme Court and the High Court.

In *Contract Pacific Ltd v Commissioner of Inland Revenue (CIR)*, which was heard in the Supreme Court, the taxpayer (an inbound tourism operator) claimed a large GST refund due to a law change. The IRD issued a notice to investigate the return within the required timeframe of 15 working days, but a request for further information was issued more than 15 working days after the return was received by the IRD. The taxpayer argued that the information request had to be made within the 15 working days of the IRD receiving the return, regardless of whether or not an investigation had commenced.

In the above case, the Supreme Court held that as the investigation process would naturally include requests for information, the statutory time frame relating to requests for information did not apply. In reaching its decision the Court commented on the poor drafting of the legislation but indicated that it should be interpreted "...so that it can operate without producing perverse results which can never have been within the legislative purpose".

In *Riccarton Construction Ltd v CIR*, which was heard in the High Court, the taxpayer filed a GST return claiming a refund for the purchase of two motels. The IRD did not release the refund and requested information within 15 working days of the return being filed. Upon receipt of the information requested from the taxpayer, the IRD issued notification (more than 15 days after the return was filed) that they would be investigating the return.

The taxpayer argued that the IRD could not hold the refund as the decision to investigate was not made within 15 working days of the return being filed.

The Court held that because an information request was made within 15 working days, any decision to investigate could be deferred for another 15 working days after receiving the requested information. Consequently the IRD was entitled to hold the refund.

Practically, these decisions mean that GST refunds can be held indefinitely by the IRD provided the IRD has given the required notice to the taxpayer that it will investigate the return, or issued a notice requesting information to be provided.

Considering the Supreme Court's own admission in the *Contract Pacific* case that the legislation is poorly drafted, consideration should be given to re-writing the legislation to make it clearer. In the meantime, the decisions in the *Contract Pacific* and *Riccarton Construction* cases clearly leave the IRD with the upper hand.

"FROM THE CLASSROOM"

WHAT HAPPENS DURING PUBERTY TO A BOY?
... HE SAYS GOODBYE TO HIS CHILDHOOD AND
ENTERS ADULTERY



Market Salaries

– One for the Taxpayer

The controversy over whether a trust or company is required to pay a fair market salary to an associated employee has taken another turn recently. The High Court has overturned the Taxation Review Authority ('TRA') decision, which had determined that a self-employed anaesthetist had avoided significant income tax under a tax avoidance arrangement that included payment of a below market salary.

Background

Dr White is an anaesthetist who, in 2002, worked part-time in the public and private sectors. Additionally, she held interests in two avocado orchards with her husband (through a family trust). The couple also resided on one of the orchards.

In late 2002, Dr White ceased being self-employed and incorporated a company that employed her to provide services to private patients. The company also began leasing the avocado orchards from the family trust.

The taxpayer's salary was set at the end of each year when the company's profit was determined. Due to the avocado orchard making unexpected losses, the company barely made any profit, and no salary was paid from the company to Dr White in the 2003 year and a salary of \$4,785 was paid in the 2004 year.

The judge in the TRA decision was of the opinion that:

- » Dr White had entered into an artificial, contrived and uncommercial arrangement. He also agreed with the IRD's assertion that the structure was used to significantly reduce the taxpayer's tax liability from personal exertions, while retaining full control and benefiting from the income.
- » The only reason someone would agree to take such a significant reduction in income was that the income was controlled by a related entity and was still available to them or their family in some other way.
- » A fair market salary could have been paid by the company if the company had borrowed against future profits, in effect causing the company to incur tax losses to be carried forward to future years.

High Court Decision

The taxpayer appealed to the High Court. The High Court allowed the appeal, determining that the arrangement did not amount to tax avoidance. In contrast to the decision at the TRA, the judge found that:

- » At the time the arrangement was entered into, it was not expected that the company would make a loss from its business activities. The company had no money available to pay a salary as the funds had been used to pay real (not contrived) debts.
- » The closely-held company structure adopted by Dr White was used in a manner that was not inconsistent with the purpose that Parliament intended such companies to be used.
- » The close-company regime specifically allows small family companies to pay tax on shareholder salaries through the provisional tax regime, and not the PAYE system. Where this is adopted, there may be circumstances where the working shareholder does not get paid for their time due to lack of funds in the company.

The fact that the company made an unexpected loss should not make an acceptable business structure an artificial and contrived arrangement



designed to avoid tax. There was no scheme to avoid tax, hence the effect of the structure minimising tax was purely incidental and therefore falls outside of the definition of tax avoidance.

The judge distinguished this case from the Court of Appeal decision in *Penny and Hooper v Commissioner of Inland Revenue (2010)*, in which it was held that two orthopaedic surgeons operating through companies, and not receiving “commercially realistic salaries” had entered into tax avoidance arrangements. The distinguishing factor was that Dr White was not deliberately paid a reduced salary; the company simply did not have the funds to pay one.

The IRD has advised it is appealing the decision. In the meantime, this is a welcome decision as it provides guidance as to the limits in the Penny and Hooper decision. The taxpayers in the Penny and Hooper case have been given leave to appeal to the Supreme Court.

An income tax trap for property owners

The income tax rates for the year starting 1 April 2011 will be lower than those for the year starting 1 April 2010. This means your provisional tax calculation will be reduced for the 2012 year (ending 31 March 2012 for most people).

If you own property on which the building depreciation is going to be cancelled, you could find yourself underpaying your income tax for the next year. For entities such as companies and trusts, this could give rise to Use of Money Interest, which you might not be expecting. Therefore, if you are not going to be able to claim depreciation, recalculate your estimated profit for the 2012 year and base your provisional tax payments on that recalculation, not on the automatic Inland Revenue calculation.

If you buy new equipment after 20 May 2010 the depreciation claim will be lower than normal. Previously, there was a 20% loading on the depreciation rate if an asset was new. This has now been abolished, so your depreciation claim for the March 2011 year might be a little lower than normal if you buy a reasonable number of assets each year.

Accountant's Tip ... Sponsorship and tax

You are keen on sport. The club you belong to asks you for money as sponsorship. Is this payment tax deductible?

If you claim a tax deduction for sponsorship it must be a real business expense. Your payment must provide a reasonable amount of profiling for your business. It is asking for trouble to make a payment to your favourite club and put it down as sponsorship when the value provided by the club bears no relationship to the amount paid. Any arrangement needs to be in writing.

Sponsorship can be a handy alternative to making a donation. If a company makes a loss as a consequence of donations, that loss is not tax deductible. However, sponsorship does not affect the tax deductibility of a loss.

“FROM THE CLASSROOM”

EXPLAIN THE PHRASE: ‘FREE PRESS’
... WHEN YOUR MUM IRONS TROUSERS FOR YOU?



The Costs of Relationship Breakdowns

Each year in New Zealand a large number of relationships end as couples decide to separate. Many of these relationships will have lasted long enough for the couple to have accumulated significant wealth in the form of property, business and investment interests, and let's not forget the 'big boys' toys. These assets are sometimes held in a complex structure of companies and trusts.

Whatever the reason for the breakdown in the relationship there will often be a high degree of acrimony and this unfortunately impacts any children of the relationship, who inevitably end up caught in the middle.

The consequences of unravelling a long relationship can be both a traumatic and expensive exercise, and may include the following:

- » The effect on children and the wider family - children need to be protected so that they maintain a healthy relationship with both parents.
- » The impact on friendships - whilst friends are generally supportive there is no guarantee that these friendships will survive intact.
- » The financial cost of legal and other advisors - a simple business valuation may cost \$4,000 and property valuations start at \$1,000 - in addition the legal bills will keep rolling in.
- » The trauma and uncertainty of the court processes - no matter what your view of your legal position there is no certainty that the court will agree, and consequently the court process will often seem to go on forever.
- » The financial implications of separation - both parties will be financially worse off post settlement, however the bread winner is likely to recover more quickly.

While there are no easy fixes for this life changing event, once the decision to separate is final there are some simple guidelines that will help all concerned to navigate this process:

- » Engage a suitably qualified lawyer to advise you of your relationship property rights.
- » Avoid a litigious approach – focus on the future rather than the past.
- » Be prepared to compromise regardless of where the blame may lie.
- » Agree to an independent advisor valuing the assets and, if possible, mediating a settlement.
- » Make sure that your advisors are appropriately qualified, with relationship property experience – ask for references.
- » Avoid the court process if at all possible.

If your relationship has broken down, these suggestions will help minimise the trauma, allow both parties to move on with their lives and possibly even retain a cordial relationship.



"FROM THE CLASSROOM"

*GIVE A REASON WHY PEOPLE WOULD WANT TO LIVE
NEAR POWER LINES?*

... YOU GET YOUR ELECTRICITY FASTER

Building Depreciation Update

Legislation passed as a result of the May 2010 Budget eliminated depreciation for most buildings that had a useful life of over 50 years. After the legislation was passed there was considerable uncertainty in a commercial context regarding what part of a structure would be classified as “building” versus “fit-out” (which can continue to be depreciated). The IRD had previously provided its view on the issue, but in a residential rental context, and commented that the principles could also be applied in a commercial context. The principles would have favoured the classification of some fit-outs as part of a building. Stepping away from those principles, the Government has amended the Income Tax Act 2007 in favour of the taxpayer.

Specifically, the changes enacted include:

- » A new definition of “building” which specifically excludes “commercial fit-out”.
- » The insertion of a commercial fit-out definition, which includes an item attached to a “commercial building” that is non-structural and not part of a building’s weather-proofing.
- » The insertion of a commercial building definition that captures buildings that are not primarily used as a person’s residence and specifically includes:
 - o hospitals,
 - o hotels, motels, inns, hostels and boarding houses,
 - o certain serviced apartments,
 - o convalescent homes, nursing homes, and hospices,
 - o rest homes and retirement villages, from hospital care through to residential care facilities, and
 - o camping grounds.

The clarification of these definitions enable items that could otherwise be considered part of a commercial building, such as internal non-load bearing walls, suspended ceilings, plumbing and electrical reticulation to be depreciated as fit-out.

Where items of fit-out are shared between both residential and commercial structures (e.g. lifts, fire protection, sewerage), the principle purpose of the building will determine whether the fit-out is depreciable property. For example, if a building is used principally for commercial purposes, then the fit-out will be depreciable property.

If upon construction or purchase a person has not separately identified and depreciated fit-out, a new provision allows the owner of a commercial building to amortise 15% of the building’s book value at a rate of 2% straight-line per year. The building’s adjusted tax book value is reduced by any fit-out purchased and depreciated separately after the building was purchased.

The question left unanswered by the IRD is whether a person that has not separately identified and depreciated fit-out in the past can perform an analysis to determine what proportion of a building is structural versus fit-out, and start depreciating the fit-out based on the higher fit-out rates.

“FROM THE CLASSROOM”

WHERE WAS HADRIAN’S WALL BUILT?
... AROUND HADRIAN’S GARDEN



IT Speaks

Disaster Recovery Plan

Did you have an IT Disaster Recovery (DR) plan to help you get going after the quake?

We saw computer network restore times vary from the next day to 2+ weeks. Those at the shorter end of that scale had a DR plan. So how does a good DR plan help you?

Almost all plans will start with a data backup system and many clients believe they have an appropriate backup system in place. A few new clients came to us that had a tape or a disk backup but the actual restore task to get their systems operating again was a massive and costly project. The problem was their backup solution had no focus on what it would take to restore all of it to a completely different server at a different office. These restores all involved having to rebuild a new server and import that data into it, which meant extended downtime for that business. There is a better way. A good backup and recovery solution will provide you:

- » Freedom from tapes and disks
- » Automated offsite replication of your backup data that doesn't blow out or load your internet connection.
- » Your key business applications and data will be restored automatically from a single backup file. You will not incur any time delays nor financial costs because a manual rebuild of your systems will not be necessary
- » Fast recovery times measured in hours not days.

flexRecovery from ServerWorks Ltd is an offsite data backup solution that provides all these features and has a particular focus on the bit that counts – the recovery. We can extend that to a full written DR plan that encompasses all the other restoration aspects of your computer systems.



Call me on 03 9771750 to discuss how this service can solve your problems and help protect your business from the next 'disaster'.

Kraig Winter

kraig@serverworks.co.nz

"FROM THE CLASSROOM"

STEVE IS DRIVING HIS CAR. HE IS TRAVELLING AT 60 FEET/SECOND AND THE SPEED LIMIT IS 40 MPH. IS STEVE SPEEDING?
... HE COULD FIND OUT BY CHECKING HIS SPEEDOMETER



Important: This is not advice. Clients should not act solely on the basis of the material contained in this newsletter. Items herein are general comments only and do not constitute or convey advice per se. Changes in legislation may occur quickly. We therefore recommend that our formal advice be sought before acting in any of the areas referred to. This newsletter is issued as a helpful guide to clients and for their private information. Therefore it should be regarded as confidential and should not be made available to any person without our prior approval.