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Act fast if your deposit is with a business gone broke

If you have paid a deposit for goods and the supplier becomes insolvent before delivering what you've paid for, you do not have many options to recover your money.

That is why it is important to tread carefully before paying a deposit, especially on a large ticket item. Check on the business first. A simple internet search will often reveal useful information about the business, including customer reviews, news stories, or warning signs that the business might be struggling. A check is not foolproof, but it can help you assess whether the supplier is likely to be solvent and reliable.

If you have paid a deposit and the supplier goes into liquidation or receivership, you generally become an unsecured creditor.

In a liquidation, payments are made in a strict order:

1. liquidator's fees and expenses
2. secured creditors (such as banks)
3. preferential creditors (including employee wages and Inland Revenue).

Unsecured creditors, including most customers who have paid deposits, are last in line, often receiving little or nothing back. BUT you can take steps to try to recover your funds.

Act immediately

Identify the receiver or liquidator. Search the Companies Office Register to find out who has been



appointed to manage the company.

Register as a creditor. Contact the receiver or liquidator as soon as possible to register your claim. You will need to fill out a proof-of-debt form and provide proof of payment (invoice, receipt, or bank statement). *Check on goods left with the business.* If you left something with the business for repair, you are usually entitled to have it returned, because legally, you own it.

Chargebacks

If you paid your deposit by credit card or debit card, contact your bank immediately to ask about a chargeback. Banks have strict time limits, so it's essential to act quickly. A successful chargeback can sometimes allow you to recover your money even if the business has collapsed.

Special cases

Layby sales. If the goods were on layby and priced at \$15,000 or less, you might have better protection.

If you are up to date with payments and the item has been set aside for you, you might be able to collect the goods or receive priority over other unsecured creditors.

Consumer Guarantees Act (CGA).

If a business enters voluntary administration, it might continue trading. If it reopens, you may be able to complete the purchase. Alternatively, you may be able to cancel the contract and ask for a refund.

Sole trader

If the business was not a registered company but a sole trader, the owner is personally responsible for debts. If they have declared bankruptcy, lodge a claim with the Insolvency and Trustee Service (ITS).

So, before paying a deposit, do your homework. And if things go wrong, act quickly – delays can significantly reduce your chances of getting any money back.

TAX

Take care if winding up a family trust

If you are winding up your family trust, which some people are doing as a result of the top tax rate changing to 39%, be careful if your trust owns shares in your own company.

When there is a change in shareholding in a company, such as from the family trust to you, if the number of shares being transferred exceeds 34% of the total shareholding of the company, imputation credits are forfeited. In fact, you have also got to look out for past shareholding changes because the rule requires a continuity of shareholding of 66% of voting shares (and market value interests, if applicable) from the date the tax was paid to the date the credit is used. So, if there has already been

a shareholding change, be very careful. Declare a dividend to use up your imputation credits before you change your shareholding.

Why is this important? Because when you wind up your company you have to pay out retained earnings as dividends. If you have lost imputation credits, you get taxed again on these distributions. Imputation credits are designed to allow you tax relief to the extent the company has already paid tax on its income being distributed to you.

Simplified work leave rules, proposed

For years employers have struggled to understand the rules about paying holiday pay and sick pay.

The government has now come up with a rather simple formula. It isn't law yet so you cannot apply the new rules. However, if it becomes law this is how it is currently proposed to work:

- Annual leave – count the number of hours worked by your employee. Multiply this by 0.0769 and you get the number of hours of annual leave you should be granting to your employee. So, if Alice works 200 hours, then she gets an entitlement of $200 * 0.0769$ hours of holidays. That works out at 15.38 hours. If you know her hourly rate you can easily calculate how much holiday pay she is entitled to.
- Sick pay – same idea only the figure you multiply by is 0.0385. So, Alice's entitlement to sick pay, if she has worked 200 hours is 7.7 hours.
- Casual workers - if you read the sick pay and holiday pay together it comes to 11.54% ($.0769 + .0385$). At present the proposal is to round this up to 12.5%.

Asbestos removal repairs

The cost of removing asbestos from a building, in the opinion of Inland Revenue, is capital in nature.

There is a special provision which allows you to reduce this cost over 35 years in equal amounts each year. The costs of investigating and testing for asbestos are tax deductible costs similarly; expenditure related to monitoring the discharge of asbestos and of cleaning up or soil removal are tax deductible.

If you are removing asbestos from machinery, piping and lagging etc. the cost has to be added to the cost of the asset and depreciated at the same rate as the asset. If you're trying to clean up contaminated land, there is no tax deduction or depreciation.

Tax on sponsorship under review

The Inland Revenue Department is revising its understanding of what constitutes as a tax-deductible expense for sponsorship.

- Sponsorship can be either in the form of money, products or services.

If you want to claim a deduction, there needs to be a sufficient connection between the expenditure and the earning of business income. So, if you feel you would like to contribute to your favourite sports team, you have to get good value in return otherwise your expenditure is not tax deductible.

- The amount of the expenditure could be relevant to the deductibility if "the parties are associated". This means if your company is sponsoring your favourite sports team or a relative's activity, there is an association between you and the company, which tends to suggest the expenditure is not genuinely advertising for the business but rather for your personal benefit.
- Your purpose at the time of incurring the cost is the key factor.
- You need to be careful if you are supplying trading stock. If you supplied trading stock at less than market value, Inland Revenue says you are making a taxable profit on the difference between market value and the cost at which you supplied the goods.
- If you provide the services of one of your staff, the salary paid is tax-deductible.
- If you acquire the use of a valuable asset as part of the sponsorship but you do not get ownership of it, the related sponsorship cost is tax deductible.

Control time, boost income

Most people in business could earn more without working longer hours simply by keeping better control of their time.

Good time management is not about squeezing more into your day. It's about knowing where your time actually goes, cutting back on low-value tasks, and making sure the work that does matter is properly captured and charged. Small changes, made consistently, can add up to a noticeable lift in income over time.

Keep a time sheet

Start by recording everything you do during the day. That means all your working time, not just the bits you invoice. Pay special attention to time you could not charge.

Once you look at that non-chargeable time, you will usually see a pattern. Ask yourself whether those tasks could be delegated, streamlined, or avoided altogether if they are not really adding value.

And do not dismiss the small bits of time – they might not seem worth charging on their own, but together they can add up to hours every week.

Be clear about what is chargeable

Many people undercharge simply because they are not sure what should count. Short phone calls, quick emails, or time spent thinking through a problem often get missed. A good rule of thumb: if the time will add value for the customer, it is probably chargeable.

Track time as you go

Record time in real time, rather than at the end of the day or week. Guessing later almost always means forgotten minutes – and forgotten income.



Be consistent with rounding

If your billing policy allows it, round time in sensible, consistent blocks (for example, six or 10 minutes). Those small increments might not feel like much, but over a year they can make a big difference.

Review your time weekly

Don't leave it until the month-end. A quick weekly look at your time sheet can highlight issues early, like frequent interruptions, inefficient processes, or clients who take up a lot of non-chargeable time.

Watch out for 'time leaks'

Small things like unscheduled calls, poorly defined jobs, or endless email back-and-forth can quietly eat away at your day. Individually they seem minor, but together they can seriously affect profitability.

Use templates and checklists

Standard templates for common tasks, emails, and documents save time and mental energy. That means

more work done in less time, without increasing your hours.

Protect focused work time

Set aside blocks of uninterrupted time for chargeable work. Let calls go to voicemail and deal with emails in batches if you can. Fewer interruptions usually mean better output.

Delegate

Even if delegation costs money, it can still be worthwhile if it frees you up to do higher-value work. Your time is best spent where it earns the most.

Handy tools

- A simple spreadsheet to analyse your time.
- A dual timer so you can pause one task when interrupted and switch to another.
- Dictating software – much faster than typing.
- Meeting tools that record, summarise, and capture action points.

Trend moves back towards physical stores

Retailers here might take note of a trend back towards physical stores in many other countries.

Online shopping has clearly resulted in the closure of many high street stores during the past decade, but UK property consultants Knight Frank suggest retailers are investing back into physical stores. That doesn't mean online retailing is not

continuing – it's just slowed down. The trend has been noted not just in the UK, but also in North America, Europe and parts of Asia.

Shoppers, it appears, are tiring of online deals that disappoint – clothes that don't fit, items smaller than expected, and difficulty with returns or refunds.

Physical stores are becoming more

competitive on price, convenience and range.

Plus, retailers are making their shops more attractive by offering social experiences that online shopping can never do.

It is not to say retailers are ignoring their online channels, just that they see value in physical stores playing an important role.

Create a stand-out print advertisement

Many small-business owners know a lot about their products or services but have no idea about how to effectively advertise them.

The reality is that no one wants to read adverts, so you have to attract readers by giving them a reason to buy, not just telling them what you sell or do.

To find out what makes a stand-out print or web advertisement (radio and television excluded), we have broken it down as below with some dos and don'ts:

- Stick to one powerful idea, stated simply. Great adverts don't over-explain, over-label, or over-design.
- Don't jam too much in. Give words and images room to breathe.
- Be single-minded about your "unique selling proposition" – what is the clear benefit of buying what you offer?
- Make it visually striking – simplicity again. Lots of colour, images and text will confuse, not entice. When you know your advert is going to be published next to other adverts, make sure it has a clear border.
- Help readers follow their instincts by looking at (in this order), image, headline, text (if any), brand/logo.
- Write a headline that is short and to the point. It should add meaning to any image and invite a reader to learn more (see "Great print adverts").
- Your brand (logo) should be present, but not dominant. Don't make the mistake of creating an advert that is about your brand – it should

Great print adverts

Three great examples of headlines for adverts include:

Just do it, used originally by Nike in 1988. The headline stopped readers in their tracks. "Just do what?" they wondered. It was enough to attract attention and has become synonymous with Nike ever since.

Think small. This was used to introduce the Volkswagen Beetle to the American market in 1959 when car adverts screamed size and power. It was a headline that turned a perceived weakness into a strength.

The ultimate driving machine. Introduced in 1974, it's still used by BMW today. In four words, it clearly positions BMW as the car discerning drivers should buy.

- be about what you offer.
 - Make an emotional connection by using humour, surprise, price or concern. Being "informative" means being forgotten.
- In short, a great advert delivers one compelling idea with a strong visual, a sharp headline and disciplined design, leaving the reader thinking just a little longer than they expected.



TAX CALENDAR

7 April 2026

Terminal tax for 2025 (March, April, May balance dates). For all clients except those who have lost their extension of time privilege.

7 May 2026

Third instalment of 2026 Provisional Tax (March balance date).

28 May 2026

First instalment 2027 Provisional Tax (December balance date).

31 May 2026

Deadline for Fringe Benefits Tax returns.

The difference is focus

Being busy is not the same as being profitable. Many businesses fill their days with activity but struggle to see results. The difference is focus. Profitable businesses prioritise work that delivers value and aligns with their strengths. They review how time is spent, cut low-value tasks, and price work appropriately. Taking time to step back and ask, "Is this worth it?" can be uncomfortable, but it often leads to better decisions, healthier margins, and a more sustainable business.

Learn to say no to unprofitable work

One of the hardest skills to learn in business is how to say no to work, especially when it's being offered.

But saying yes to unprofitable work quietly costs you time, energy and money.

Unprofitable jobs often have warning signs – vague scopes, tight budgets, frequent "quick questions",

or a strong push for discounts. If a job makes you uneasy before it starts, trust your instinct.

Saying no doesn't have to be blunt or awkward. You can keep it professional and polite.

Try phrases like: "This work falls outside what we can offer at that price," or "Given the scope, this

wouldn't be a good fit for us."

Another option is to make the work suit you. Set clear boundaries, adjust the scope, or quote a price reflecting the real time involved. If the client walks away, that tells you something.

Remember, every hour spent on low-value work is an hour you can't spend on profitable, satisfying work.

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