

Winding up and Tax

What do I do now?

Have your last formal meeting as a YES company to discuss the wind up, allocate 'wind up tasks' below and make decisions on the future of your business beyond YES.

Wind Up Tasks:

- Formally close the business bank account.
- Close your XERO Account if you have been using this for YES
- (You can sign up with XERO as a regular user if you still want to use this package)
- Complete the YES tax return and submit to YE Trust

When do we need to wind up?

- By 17 November 2017

Can I continue to trade?

- Yes – under the YES constitution you are eligible to keep on trading until the end of the year.
- If you wish to trade after the 17th November please seek approval from the Head of Young Enterprise Scheme – leah.macdonell@youngenterprise.org.nz

Do YES Companies pay tax?

- YES companies are exempt from the normal income tax obligations and company compliance costs unless they reach the GST threshold. However, they are still required to pay a "YES Tax"
- The YES tax covers a very small fraction of the total cost of running the programme. Your participation as a student has been made possible partly by the tax paid by previous YES students.

Why do we pay tax?

Tax is an important part of business life and is therefore an essential element in the work experience of running a Yes company. **The tax rate is 25% on reported profit.** Your company approves the company accounts at their last meeting.