



## MARCH 2011



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### End of Year Tips

- **Ensure that you take stock at 31 March 2011.**  
You will need full details on how the stock take was conducted and the values obtained. You have the option of accounting for stock on the lower of cost or net realisable value. Take note that the Inland Revenue Department will not require a formal stock take for stock held of less than \$10,000 at year end, as long as your turnover is \$1,300,000 or less.
- **Write off Bad Debts from your debtor's ledger prior to 31 March 2011.**
- **Computer Hints** - ensure that you make a back up of your Financial Data up to 31 March 2011 once all information has been processed and the bank accounts reconciled. **PLEASE** do not alter this in any way after balance date. Some programs have the capacity to "lock" this data.
- Please reconcile your bank accounts as at 31 March 2011, and print the reconciliation off for inclusion with your records.
- **Depreciation Register** - check that all the assets listed are still owned by the business and still in use by the business. Please advise us if there is any asset not on the schedule that is owned by the business.
- **Look out for our Annual Business Checklist and Client Records Folder** - these should be delivered to you by mid-April.

### Staff Changes

We have recently been joined by Toni Salmons who holds an ACA qualification. Toni joins us from a firm in Palmerston North and is working in our business advisory and compliance section. She is also a qualified MYOB consultant. Toni is looking forward to meeting with her portfolio of clients over the year to assist with accounting, taxation issues and any MYOB problems.

### BankLink and Xero

A reminder that we are an accredited provider of BankLink and Xero cash book and accounting systems. The new Xero software is proving very popular with clients particularly where your business and our firm operate on the same single online ledger. In some cases there are cost advantages using a BankLink or Xero package over the traditional in-house MYOB general ledgers and cashbooks.

## Qualifying Company Changes

You may be aware that from 1 April 2011 LAQC's will no longer exist. We are making contact with our LAQC clients now and over the next few months to advise on these changes and to help them put in place the most appropriate structure going forward. There may be people we act for who obtain losses from an LAQC that we do not act for. We encourage anyone in this situation to contact the respective accountant for advice on how they may be affected by the changes.

## Gift Duty Abolition

From 1 October 2011 those with existing trusts can complete a deed of gift, completely forgiving the remaining balance of any debt owed to them by a trust without incurring gift duty. Likewise those contemplating the transfer of assets to a trust there is no debt back to the vendor, accordingly while resolutions should still be completed for an accurate recording of the transactions and the debt forgiven, deeds of gift, we understand, must still be completed.

## Company Tax Rate Reminder

The company tax rate will reduce from 30% to 28% for most companies with application from 1 April 2011.

## Client Editorials

We regularly publish editorials for clients who want to promote their wares. Just a reminder to any client who wishes to take advantage of this opportunity to contact Kathryn at the office.



## Email Option

If you wish to receive the newsletter via email please email

[office@johannesson.co.nz](mailto:office@johannesson.co.nz) with your request.

