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Dedicated to providing you with the best plain
English tax advice
No matter what the size of your business

Russell's Ramblings

It is with regret that we advise you of the resignation of Keith Thorpe from his role as a Director and employee of CATS. Keith has resigned to pursue other career opportunities and we wish him well in his future endeavours. It is obviously disappointing that after just four short years of service Keith leaves us. However, life continues here at CATS and we do not foresee any changes to our ongoing business relationships.

And so one door closes—another opens—Keith's leaving has made us review how we operate, and I think you will be amazed at the new services and products we will introduce.

Meanwhile elsewhere in the world all is doom and gloom. Not in Godzone, we have the best interest rates for years, some great opportunities for investment and growth—now is the time to go get them.

Just got to work on Westpac, ANZ, BNZ..... hmmm

And, to help save your tax dollar our tax list is inside—worth \$50,000+ and yours for free!!





Action required now!!!

Tax Saving

... before the end of t

Many businesses have a 31 March balance date so we have set out below a list of which may help you reduce the amount of tax you have to pay.

Deductions: Deductible expenses may be claimed in the year they are incurred, are some special expenses which are either deductible in full or in part when the

1. Rent for Land & Buildings:

Prepaid amount less than 6 months and under **\$23,000**.

2. Rent for Lease or Bailment of Livestock or Bloodstock:

Prepaid amount less than 6 months and under **\$23,000**.

3. Consumables:

Amount on hand under **\$58,000**.

4. Insurance Premiums:

Where total insurance expense in the year does not exceed **\$12,000** a 12 month prepayment is claimable.

5. Payments for Service or Maintenance

Contracts:

A prepayment of three months expenses is deductible provided the total expense on the contract does not exceed **\$23,000** in the income year.

6. Telephone & Other Communication

Equipment:

A prepayment of two months is deductible.

7. Other Services:

Prepaid amount less than six months and under **\$12,000**.

8. Stationery:

No restrictions.

9. Subscriptions:

Newspapers, Journals, Other Periodicals—no restrictions. Trade/

professional associations—a prepayment of 12 months is deductible provided the total amount in respect of that association in the year does not exceed **\$6,000**.

10. Postage & Courier:
No restrictions.

11. Rates:
No restrictions.

12. Advance Bookings for Travel and Accommodation:

Prepaid amounts less than six months and under **\$12,000**.

13. Road User Charges:
No restrictions.

14. Audit & Accounting Fees:

No restrictions.



Big Checklist

of the financial year

Save up to \$55,770 in tax!!!



Some of the most important matters you should consider before the end of the financial year—some

are not, even though the payment is to be made in the following year. Listed below are items that are paid or incurred, but relate to the next income year.



Valuation of Stock

The value of stock on hand at the end of the year impacts on your profits and you will need to do a stock take. Stock that is worth less than you paid for it or less than the cost of manufacture, can be valued at market selling value but you must be able to support your valuations. Some trades have special rules. Stock can be ignored if it has a value of \$5,000 or less. If in doubt call me for details.

Bad Debts

You will need to think about each outstanding debt. Specific action

must be taken against each debt before balance date to recognise it as bad. You can either write across the final statement “bad debt” and gather all of your bad debts into a folder for me or remove the debt from your debtors ledger and put it in a separate ‘bad debts’ account.

Holiday Pay

Amount accrued at balance date is deductible if paid within 63 days following balance date.

Disability Insurance

Premiums deductible in full where taxpayer is in business on his/her own account.

Royalties

Royalties accrued to balance date are fully deductible.

Travelling Expenses: Rental property Owner/Investors

Taxpayers who derive their income from investments and incur travel expenses in managing these investments are entitled to a deduction for this travel. Adequate records of distance travelled should be kept and provided the Annual total is under 5,000 kms, public service rates can be used.



Tax Calendar



7 April 2009
Term Tax due
20 April 2009
PAYE due
GST due
7 May 2009
GST due for
March period
Prov Tax due
FBT due
20 May 2009
PAYE due
28 May 2009
GST due
22 June 2009
PAYE due
29 June 2009
GST due
20 July 2009
PAYE due
28 July 2009
GST due

An internal auditor for a manufacturing group was concerned about anomalies in stock levels. He thought someone might be pinching stock but he couldn't prove it. He had his eye on one shifty-looking individual who every day drove his old truck out of the factory with the load covered by a tarpaulin. Time after time the auditor stopped the bloke, made him remove the tarpaulin and then inspected the load. On every occasion there was only scrap metal in the truck which the driver said he was taking to the tip. On three occasions the auditor made the bloke remove the tarpaulin and then unload the scrap in front of him, suspecting that there might be stolen stock hidden underneath. Nothing. He could never find anything amiss.



After a few months of this the auditor was offered a better job elsewhere and resigned. A few weeks later he was drinking in a pub when the shifty character walked in. On an impulse the auditor went up to him and said, "Look, I've left the company, I'm not interested in taking it any further and I won't shop you, but I just have to know. What were you taking?"

And the bloke said
"Tarpaulins."

March 2009
Edition

Friendly REMINDER
We need the space, please
pickup last year's
documentation.
Thank you.

Do you know someone who needs **PLAIN ENGLISH ACCOUNTING SERVICE?**
For a free 1 hour consultation please send us their details:

Name: _____

Address: _____

Telephone No: _____ Email: _____

Your Name: _____

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