



Newsletter March 2011

Checklists – It's that time again!

Attached are the yellow Checklists for 31 March 2011.

These highlight the records and information that we require from you to complete your 2011 Financial Statements and taxation returns.

Please promptly complete all sections of these checklists, sign and date, and phone us to arrange a meeting time to review these and your financial records together.

The sooner we receive your information, the sooner we can complete your returns and advise you of tax payments and/or action your tax and rebate refunds, and assist you with income, tax, and profit planning. Remember that a fully completed questionnaire will save us time and you money.

Further copies can be downloaded off our website.

Mountfort & Associates Staff

Andrew Palmer, who joined us last year, is sadly leaving later this month to pursue another opportunity.

Andrew has assisted us greatly and we have begun the recruitment process for a qualified accountant to help us with our clients' tax and accounting needs.

We wish him all the best.

In October 2010 we welcomed Natalie Keene to our office as a part time assistant.

Natalie is a local Howick resident who will be graduating from Auckland University this year with a commerce and IT degree.

Family Trusts

Please advise us if you have formed a Family Trust during the year. You will need to complete a Personal/Trust Tax Return Checklist for your Family Trust.

If you don't yet have a Family Trust we would love to discuss with you the benefits and suitability of you having a Family Trust.

31 March Stock-Take plus Useful Tips for Year End

For clients with trading stock as at 31 March 2011 please remember to supply us with a detailed stock-take as at 31 March 2011.

The general rule is that stock must be valued at the lower of cost or market selling value. The closing stock value can have a significant effect on your net profit, if valued high it increases your net profit (and any resulting tax payable).

For other useful tips please see over the page for a summary of a BNZ networking presentation that we recently gave.

Tax Credit Claim Forms – Donations, Childcare & Housekeeper Rebates

Tax credit claim forms need to be completed and returned to the Inland Revenue to action the tax credit refund. The donations cap has been removed effective 1/4/08, meaning that you can claim the tax credit on all qualifying donations (previously the donations amount was limited to \$1,890 each). Please ensure that your bank account number on the Tax Credit Claim form is correct.

If you do not receive your Tax Credit Claim form during April, please contact Inland Revenue to request one. If you need assistance completing these please contact us.

We recommend that they are completed as soon as you have all your receipts – the sooner they are filed the sooner the tax credit is released = more cash in your bank account.

Remember to keep copies of everything sent to the Inland Revenue, or even better... get us to prepare it, that way we have an exemption for not having to send supporting receipts to Inland Revenue.

New Website

We are delighted to advise that our website was launched last year & is a useful tool for our clients. Visit to download forms and checklists: www.mountfort.co.nz

Useful Tips for 31 March Year End

The Financial year end can be a time of anxiety for a number of business owners, self employed and property investors.

The good news is that with a little foresight and planning, and a routine approach, you can turn financial year-ends into a beneficial process.

How? By having up-to-date financial information about your business and its performance at your fingertips, and to legally reduce your tax bill by claiming all expenses. For a list of deductible expenses see the pdf file on our website.

- **Closing Stock** (continued from previous page) – be sure to write off any obsolete or damaged stock to help reduce your tax
- **Plan ahead** – Reduce stock levels prior to 31 March by:
 - **Delaying ordering stock** just prior to 31 March
 - **Plan a March sale** to dispose of excess stock
- **Ensure stock is clearly marked and organised** (e.g. only one box of each product type open at one time, saves counting up the contents of multiple half empty packages.)

Other Tips Include:

- **Asset registers:** you will need to update these each financial year to ensure the assets still exist and haven't been lost or stolen. Update the register for any new assets acquired during the year including the acquisition date, and price
- **Expense claims** – be familiar with all of the expense claim entitlements to reduce your tax (list on website)
- **Bad debts.** To obtain a tax deduction write off all bad debts by removing from your accounts receivable ledger before 31 March 2011
- **Consider delegating work load** to an employee or your spouse or Partner to allow you to:
 - work on the business, accounting records and processes and make any changes to these and other important areas including:
 - pricing and margins
 - presentation and image
 - staffing and recruitment
 - networking opportunities
 - website and communications
 - sales & cash-flow forecasting

Summary of Earnings

Personal Summary of Earnings will be forwarded to all taxpayers who earn wages, salaries or withholding payments. This will give a breakdown of your gross earnings and PAYE deductions from information received by Inland Revenue from your employer(s). Please check the figures on these and forward to us any amended details.

LAQC changes

We have contacted all clients who have LAQC companies to update them of the upcoming changes effective from 1 April 2011. If you haven't yet met with us to discuss how these changes specifically affect you, please ensure that you do so without delay.

7 April Tax Reminder

The date for payment of any 31/3/2010 tax is 7 April 2011. We have posted reminders to affected clients. If you don't receive your reminder, or believe you have 7 April 2011 tax to pay and have not received a reminder, please contact us. We are here to help you.

Looking Ahead

- We plan to implement additional new services this year including cash-flow forecasting and projections.
- We are now an accredited Xero provider. Xero is online, real-time accounting software specifically designed for small businesses.
- Monthly paid fixed fee arrangements are another option available to our valued clients.
- Contact us if you are interested in any of these new initiatives.

Mission Statement – *What we do for you*

Mountfort & Associates Chartered Accountants are here to assist you to better understand your financial results in a timely manner so that you can maximise your revenue, minimise your taxes and build and preserve your financial wealth.

Thank you for your business. We look forward to assisting you again this year.