

BUSINESS FINANCIAL INFORMATION 2024 CHECKLIST

This "Checklist" is to assist you when supplying us with records and information to enable us to prepare Financial Statements and Tax Returns for the past year. The basis which we undertake this work on your behalf is as follows:

1. Financial statements will be compiled from information provided by you, for which you are responsible, and which should be accurate and complete.
2. Your financial statements will be prepared on the basis of a **Special Purpose Report** for your own benefit and that for the Inland Revenue Department. They do not comply with Generally Accepted Accounting Principles under the Financial Reporting Act, and will exclude any opinion as to their compilation to third parties and we will attach the following

“COMPILATION REPORT

This report is for

SCOPE

On the basis of information you provided we have compiled, in accordance with Service Engagement Standard No. 2: Compilation of Financial Information, the special purpose financial statements of your entity for the year ended 31 March 2024. These financial statements have been prepared in accordance with the policies as detailed in the Notes to the Financial Statements.

RESPONSIBILITIES

You are solely responsible for the information contained in the financial statements and supporting schedules and have determined that the accounting policies used are appropriate to meet your needs and for the purpose that the financial statements were prepared.

The financial statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the financial statements.

NO AUDIT OR REVIEW ENGAGEMENT UNDERTAKEN

Our procedures use accounting expertise to undertake the compilation of the financial statements from information you provided. Our procedures do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.

DISCLAIMER

As mentioned earlier in our report, we have compiled the financial information based on information provided to us which has not been subject to an audit or review engagement. Accordingly, neither we, nor any of our employees accept any responsibility for the reliability, accuracy or completeness of the compiled financial information nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on the compiled financial information.

Signing this form gives us authority to act as your agent when dealing with the Inland Revenue Department on all tax matters by various mediums including correspondence, telephone, fax, and internet, as well as authority to contact your bank, solicitor, and any other party to obtain information necessary to prepare your tax return.

We authorise Waters & Pauling to deduct from funds received by them on our behalf sufficient funds to settle all outstanding fees.

You authorise our organisation to act as your agent for ACC levy purposes for all associated entities. This authorisation allows our organisation to query and change information on your ACC levy account(s) through ACC staff, and through ACC Online Services. This authority will also allow our organisations' main representative discretion to delegate access to your ACC information to other members of our organisation. Other delegated members of our organisation will also be able to query and change information on your ACC levy account.

When you call in, we will need to spend time checking the data, so we ask that you make an appointment prior to bringing your information to us. The following "Checklist" details information required to prepare your financial statements although some items may not apply. Please also note that if your business is the subject of an income tax audit, this Checklist will be reviewed by the Inland Revenue Department.

BUSINESS NAME

SIGNED

DATE

EMAIL

WORK PHONE

HOME PHONE

MOBILE

1 GENERAL INFORMATION

- (a) Were all business takings and income banked in your trading bank account? **YES/NO**
 If NO, please advise the total amount of takings or income not banked in your business bank account and what happened to these funds. This includes transactions through Credit Cards, Bartercard and the like.
- (b) Were all business expenses paid from your trading bank account? **YES/NO**
 If NO, please advise details of all such business expenses and how they were paid. This includes transactions through Credit Cards, Bartercard and the like.
- (c) The value of goods taken for private use at their cost price (including GST)
 Type of goods: \$.....
- (d) Are there any contingent liabilities (a potential debt) that you know of, ie bank guarantees, car dealers HP guarantees? If YES, please give details. **YES/NO**
- (e) Do you have any contractual commitments for Fixed Asset purchases or capital expenditure projects at March 2024? **YES/NO**
 If YES, please provide details of these commitments and the value involved.
- (f) Has the nature of your business changed significantly in any way during the past 12 months or since balance date? **YES/NO**
 If YES, please give details of this change.
- (g) Have any events happened since balance date that will significantly affect your business. **YES/NO**
 If YES, please provide details
- (h) Have you given any security to financial institutions when borrowing money? **YES/NO**
 If YES, please provide further details, including repayment terms, interest rate, security and term of loan.
- (i) Has the business paid home telephone rental and tolls for the year? **YES/NO**
 If YES, please provide further details.

2 INTEREST & DIVIDENDS RECEIVED

Does your business earn or receive interest or dividends from banks or other companies for the year ended 31 March 2024? **YES/NO**

IF YES, PLEASE ATTACH DIVIDEND AND INTEREST ADVICE NOTICES.

NAME OF PAYER	INT OR DIV	COUNTRY OF ORIGIN	GROSS	DIVIDEND IMPUTATION CREDIT	WITHHOLDING TAX/PAYE DEDUCTIONS

If the company has any investments entered into prior to 31 March 2024 but maturing after 31 March 2024 please provide details.

3 INCOME FROM PORTFOLIO INVESTMENT ENTITIES (PIE's) YES/NO

Please supply all advice notices.

If the wrong tax code has been used there will be either tax to pay or a refund.

4 INVESTMENTS IN FOREIGN COMPANIES & UNIT TRUSTS YES/NO

The Tax Rules have changed in relation to investments held in Foreign Companies & Unit Trusts. So that we can correctly calculate your tax liability, please provide the following on a separate page:

- A list of Investments in Foreign Companies and Unit Trusts at the start of the year, 31 March 2023 giving the cost price in NZ dollars.
 - The market value in the Foreign Currency of each investment at:
 - a) 31 March 2023 (if we do not already have from last year)
 - b) 31 March 2024
 - Details of investment purchases including the number of shares/units and the foreign currency cost (this includes additions under Dividend Reinvestment Plans).
 - Details of investment sales giving number of shares/units sold in foreign currency proceeds after brokerage.
 - Details of dividends received in the year including any foreign tax credits.
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5 ACCOUNTING RECORDS

The following records will be required – EITHER

(A) XERO/MYOB CLOUD BASED

- (i) Bank statement showing balance at 31 March 2024 for all bank accounts
- (iii) Access to program – invite us in an adviser with manage user rights

(B) COMPUTERISED RECORDS (MYOB & OTHERS) – NOT IN THE CLOUD

- (i) Back up disk for full year.
- (ii) Copy of General Ledger Trial Balance 31 March 2024.
- (ii) Detailed transaction listing of all items making up the General Ledger accounts for the year ended 31 March 2024. This can be in printed format or disk.
- (iii) Bank Statement showing balance at 31 March 2024.
- (iv) Bank Reconciliation as at 31 March 2024. **Ensure it is as at 31 March 2024 and not the date of bank statement.**

(C) CASH BOOK (MANUAL/EXCEL)-

- (i) A cash book, written up, analysed, and reconciled to the bank statements monthly from 1 April 2023 to 31 March 2024.
- (ii) Bank statement showing balance at 31 March 2024.
- (iii) Details of transactions covering April 2024.

(D) BANK STATEMENTS – NO ACCOUNTING SYSTEM

- (i) Bank statements for all business accounts from 1 April 2023 to 31 March 2024.
 - (ii) Details of transactions covering April and May 2024.
Please ensure that:
 - Purchases of plant, equipment, vehicles and other fixed assets costing over \$1,000 are clearly identified.
 - Personal transactions are clearly marked.
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**6 ACCOUNTS RECEIVABLE (DEBTORS)
(FIRMS WHO OWE YOU MONEY AT 31 MARCH 2024)**

- (a) Continue on a separate page if necessary.
- (b) If a computerised Debtors Trial Balance is available, supply a copy as at 31 March 2024 instead of this list.
- (c) Any BAD DEBTS must be written off in your Debtors ledger prior to 31 March 2024 to obtain a tax benefit.
- (d) Mark accounts which have no GST content (ie export sales), where applicable.
- (e) If any of the debtors listed below include retentions, advise on what date they are collectible.

DEBTOR	TOTAL OWING (INCLUDING GST)	COMMENTS

(Continue onto a separate page if necessary)

**7 ACCOUNTS PAYABLE (CREDITORS)
(FIRMS TO WHOM YOU OWE MONEY AT 31 MARCH 2024)**

- (a) All accounts owing by you at 31 March 2024 should be scheduled on this form.
- (b) Do not forget to include March PAYE deductions paid in April 2024 and March GST paid in May 2024.
- (c) ENSURE that everything purchased by you before 31 March 2024 and not paid for until after 31 March 2024 is included.

CREDITOR	TOTAL OWING (INCL GST)	GST	CLASSIFICATION (eg Purchases, Stationery etc.)

(Continue onto a separate page if necessary)

- 8 STOCK ON HAND** Value \$.....
 (Please read Trading Stock Valuation notes attached to back of Checklist) INCL/EXCL GST
(cross out one)
- (a) Stock quantities should be taken at balance date.
- (b) Full Stock Sheets must be retained by you for 7 years.
- (c) Stock should be valued at the lower of cost or market selling value. GST should be excluded if you are registered for GST. (Please refer to the attached definitions of cost and market selling value).
- (d) If you have valued stock on a basis other than detailed in (c) above please advise the basis used.

- (e) Do you have any stock items subject to retention of title clauses?
 These must still be included in your stock value. **YES/NO**
- If you are holding stock on consignment or “sale or return” do not include such items when valuing stock.**
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- 9 WORK IN PROGRESS (VALUE OF UNCOMPLETED JOBS)**
- (a) Ignore jobs already charged out as at 31 March 2024,
- (b) Value of work done to 31 March 2024 should be calculated as:
- Cost of materials supplied excluding GST \$.....
 - Cost of labour supplied \$.....
 - Portion of overheads allocated
 excluding GST (where applicable) \$.....
- TOTAL VALUE OF WORK IN PROGRESS \$.....
- (Please refer to the attached definitions of Trading Stock).
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- 10 CASH ON HAND AT 31 MARCH 2023**
- (a) Unbanked takings (cash) (ie March 2024 sales banked in April 2024) \$.....
- (b) Till Floats \$.....
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- 11 FRINGE BENEFITS**
 Please forward copies of FBT returns made to Inland Revenue Department during the year and any worksheets.
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12 MOTOR VEHICLE EXPENSES

(a) SOLE TRADER, PARTNERSHIP, COMPANY OR TRUST

To enable the calculation of motor vehicle expenses to be claimed for business purposes, please advise for each vehicle used by the proprietor, partners, shareholders or beneficiaries

- (i) Total mileage travelled for the year
- (ii) Total **business** mileage travelled for the year

NOTE If detailed and accurate records are not maintained as to mileage travelled by each vehicle, any claim for business vehicle expenses cannot exceed 25% of such expenses.

Log books should be maintained for a 3 month period every 3 years.

OR

(b) COMPANIES

To enable the calculation of motor vehicle expenses to be claimed for business purposes, please advise which vehicle is used by each shareholder or relative.

Has Fringe Benefit Tax been paid in respect of vehicles.

YES/NO

Number of days vehicle not available for private use.

For the 31 March 2024 year the IRD now allow companies to use a percentage claim method based on a logbook. Please complete details in (a) above if you choose this method for your company vehicle claim. This can only apply to vehicles purchased after 1 April 2017.

13 HOME OFFICE/WORKSHOP EXPENSES

IS PART OF YOUR HOME SET ASIDE PRINCIPALLY FOR USE AS AN OFFICE/WORKSHOP?

YES/NO

IF YES,

(a) Please advise total annual outgoings in respect of property:

- Insurance (Contents & Building) \$.....
- Mortgage Interest (do not include principal repayments) \$.....
- Electricity and Gas \$.....
- Rates (including land, water, & Regional Council) \$.....
- Repairs & Maintenance (please provide details) \$.....
- Rent Paid (If property not owned) \$.....
- Telephone Rental (if not paid or claimed through business bank account) \$.....

(b) Please provide the following details:

- (i) Area of office/workshop used for business
- (ii) Total area of home including office/workshop

14 ASSETS PURCHASED OR LEASED DURING YEAR

- (a) Please make a list of all cars, trucks, plant, fittings, land, buildings and computer software purchased between 1 April 2023 and 31 March 2024 costing more than \$1,000 (plus GST).
 - (b) Full details of cost, trade-in allowances, date purchased and vendor are needed, and whether the asset was new or used.
 - (c) We also need copies of:
 - (i) Hire Purchase (and Lease) Agreements, and solicitor's statements where applicable.
 - (ii) Government Valuation of any business or rental property purchased during the year.
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15 ASSETS SOLD, TRADED IN OR OTHERWISE DISPOSED OF DURING THE YEAR

- (a) Clearly identify on bank statements, cash book or computer records any proceeds of assets sold otherwise we could include them as "Sales" in error.
 - (b) List description of asset, date sold, sale price and purchaser - also date and cost of original purchase if possible.
-

16 SOLICITORS STATEMENTS

Please submit all solicitor's statements relating to any legal transactions for the business during the year, including purchase and sale of real estate.

17 GST CHECKLIST

- (a) Please supply **all worksheets** and copies of GST returns lodged during the year.
 - (b) Have you accounted for GST on the purchase and disposal of Fixed Assets during the year. **YES/NO**
 - (c) Have you made any adjustments for private use of business assets (Motor Vehicles) and goods taken for own use during the year, and on fringe benefits supplied to employees. **YES/NO**
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18 ENTERTAINMENT EXPENSES

The general rule is that only 50% of **business** entertainment expenses are deductible for income tax purposes.

For the purpose of preparing your Financial Statements for the period ended 31 March 2024 please tick the appropriate panel:

We have made no business Entertainment Expenditure payments during the year.

All business Entertainment Expenditure for the year is clearly marked and detailed as such on our cash book or computer records.

19 WAGES RECORDS / PAYE RECONCILIATION/ACC

- (i) If computerised wage software is used:
 - a) If your wage system is cloud based please give us access to it.
 - b) If not cloud based please provide either a back up copy or printouts.
 - (ii) Provide annual details of any non taxable allowances paid to employees
 - (iii) Provide details of leave owing to employees at 31 March 2024 and amount paid by 2 June 2024.
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20 DO YOU LEASE BUSINESS PREMISES? YES/NO

IF YES

- (a) Monthly payment (exclusive GST) \$.....
 - (b) Date lease terminates/...../.....
-

21 INTANGIBLES/GOODWILL/PATENTS/TRADEMARKS

If your business has any of these on its balance sheet please let us know if the value of them has reduced below its cost price.

22 INCOME FROM RENTS

YES/NO

- (a) Is this the first year receiving rental income from this property:

YES/NO

If NO go to (e)

- (b) Provide a copy of the Sale & Purchase Agreement and all solicitors statements regarding the purchase.
- (c) (i) Provide details of any mortgage borrowed, repayments and interest paid to 31 March 2024.
(ii) Also include details of any refinancing.
(iii) Provide a copy of bank statement showing mortgage owing 31 March 2024.
- (d) If the property is managed by an agent provide copies of monthly statements showing rent collected, commission and other expenses deducted.
- (e) If the property was sold during the year provide a copy of the Sale & Purchase Agreement and all solicitors statements regarding the sale.
- (f) If you have already summarised rents received and expenses paid, please provide details as follows:

Gross Rents Received COMMERCIAL / RESIDENTIAL \$

Address of Property

Period of Rental

Payments - Insurance	\$.....	
- Interest	\$.....	
- Rates (including land, water, & Regional Council)	\$.....	
- Repairs & Maintenance	\$.....	(Advise details)
- Other (Detail.....)	\$.....	

- (g) If you have not summarised details of rentals received and expenses paid, please provide records such as:

- Bank Statements
- Cash Books
- Computerised records
- Other

- (h) Accounts Receivable (money owed to you at year end). Please provide details.

- (i) Accounts Payable (money owed by you at year end). Please provide details.

23 DIRECTORS RESPONSIBILITIES

Directors of limited liability companies have responsibilities in terms of companies legislation which provides substantial penalties for non-compliance.

Directors' responsibilities include:

- Preparing financial statements for the company.
- Holding an annual meeting of shareholders.
- The requirement to maintain statutory records for the company and complete an annual return for the company.

There are many more Directors' responsibilities that you are bound to comply with. If you require further details, please give us a call.

24 DISCLOSURES

- a) Have you obtained a private binding ruling from the IRD? **YES/NO**
- b) During the year have you controlled or held more than an ownership interest of 10% in Foreign Company? **YES/NO**
- c) During the year did you own any shares or units in unit trusts in companies managed outside of New Zealand ? **YES/NO**
- If YES, please provide further details including each investment, country of origin, dividend and distribution advices for the year, and if they were sold during the year their original cost and sale price.
- d) During the year did you pay life insurance premiums to an overseas life insurance company or own a life policy issued by an overseas insurer? **YES/NO**
- e) Have you been party to an agreement for the sale and purchase of property under which settlement will take place more than 93 days after entering into the agreement or to a specified option? **YES/NO**
-

We will prepare a tax return for the entity and check tax assessments received in our office. We will advise you of tax commitments, but the responsibility for paying the correct tax by due dates rests with you including any penalties and interest.

We will endeavour to reconcile your GST returns and wage records to your financial statements, and advise you of any apparent discrepancy.

If you trade as a company it is your responsibility to comply with all aspects of the Companies Act 1993. We will hold a Minute Book on your behalf.

MENU OF OTHER SERVICES AVAILABLE:

Please tick the box as a reminder to discuss any of the following with us:

- | | |
|--|--|
| <input type="checkbox"/> Financial Budgeting | <input type="checkbox"/> Business Plan - |
| <input type="checkbox"/> Cash Flow Planning | <input type="checkbox"/> • Simple plans |
| <input type="checkbox"/> Regular business review | <input type="checkbox"/> • Comprehensive plans |
| <input type="checkbox"/> Grooming your business for sale | <input type="checkbox"/> Succession Planning |
| <input type="checkbox"/> Tax minimisation – can any more be done? | <input type="checkbox"/> Investment strategies for retirement |
| <input type="checkbox"/> <i>PeaceOfMind</i> accounting fee – Fixed Price Contracts for the year. | <input type="checkbox"/> Monthly accounting and GST the easy way – Explain the BankLink processing system. Or Xero Use |
| <input type="checkbox"/> Setting up a family trust and how it works | <input type="checkbox"/> Employment agreements – Review or Implement |
| <input type="checkbox"/> LTC's – Look Through Companies | <input type="checkbox"/> Property purchase evaluation and tax structure |
| | <input type="checkbox"/> Know someone else who needs our services please refer them to us |
-

TRADING STOCK VALUATION

Stock on hand at balance date must be valued at either **cost** or **market selling value** (if this is lower). If you have obsolete stock you may wish to consider disposing of it or getting it valued by an independent valuer.

If however your annual turnover is \$3M or less you can use market selling value even if it is more than cost price.

WHAT IS TRADING STOCK

Anything that is:

- Manufactured, produced or acquired, and
- Held for sale or exchange in the ordinary course of business;

Work in progress or partially completed work which, if completed, would be trading stock;

Materials held for use in the manufacture or production of items that are trading stock, excluding:

- Consumable aids (unless valued at more than \$58,000)
- Spare parts not held for sale

COST VALUATION OPTIONS

COST

Costs incurred in the ordinary course of business to bring trading stock to its present location and condition, including purchase costs, and costs of production including overheads for manufacturers.

REPLACEMENT PRICE

Market value for the purchase of that item on the last day of the income year (usually 31 March). If a replacement price cannot be ascertained on this day, then this method cannot be used.

DISCOUNTED SELLING PRICE

Retail selling price of the goods less the normal gross profit margin category by category. The gross profit margin is the margin applying in this accounting year. You cannot use last year's gross profit margin.

MARKET SELLING VALUE

The gross amount that a business normally expects to receive for sale of stock, after deducting estimated costs of completion and expected costs of selling, ie:

- Transportation
- Insurance
- Sales Commission
- Discounts to Purchasers

RETAILERS UNDER \$1 MILLION TURNOVER

Retailers with a turnover of less than \$1 million, may use a simplified version of the discounted selling price method, by discounting the value of all stocks by a single gross profit margin.

ANY BUSINESS UNDER \$1.3 MILLION TURNOVER

If you estimate your stock is less than \$10,000, you may use the same stock value as last year providing it is less than \$10,000.

All businesses with trading stock must maintain adequate records for 7 years which detail the individual stock items, their quantities and value.

YEAR END TAX PLANNING 2024

In order to minimise the amount of tax payable for the year, we suggest it is worth considering whether any of the following points can be acted on to legitimately reduce or defer the impact of tax.

FIXED ASSETS

If you are considering the sale of an existing asset, check your last set of Financial Statements to see the book value. Where you anticipate a loss on the sale of the asset, it could be sold prior to balance date to maximise the tax deduction.

Alternatively, where the sale will result in a recovery of depreciation above the book value, can it be deferred until after balance date to take place in the next financial year? This should be considered and balanced with any depreciation you are able to claim on the purchase of a replacement asset.

BAD DEBTS

You cannot have a deduction for a bad debt unless the debt is written off prior to your balance date. Check your debtors ledger and if you have any irrecoverable debts such as money owed by companies in liquidation or receivership, or those you have placed in the hands of a debt collector or solicitor for recovery, they must be written out of your ledger if you wish to claim a deduction and receive the GST credit. You can still make an effort to recover these bad debts.

VEHICLE LOG BOOKS

If you are self employed, in a partnership or operate through a company, and it is more than three years since you maintained a vehicle log book for a non work related vehicle, the rules are clear. You must maintain a log book for a continuous period of 90 days in every three year period. This period must be representative of your normal business travel.

If you are unable to or do not wish to maintain a log book, your vehicle expenses will be limited to a maximum 25% for business use.

This rule does not apply to shareholder employees in companies where fringe benefit tax payments are made, however if the company vehicle was purchased after 1 April 2017 you may claim a percentage of vehicle expenses based on a log book.

COMPANIES (LOOK THROUGH)

If you wish to take advantage of the Look Through Company regime for next year, application must be made to the Inland Revenue Department before 31 March this year. Some of the benefits include allowing company losses to be used by shareholders. If you anticipate selling your business over the next year, please advise us before 31 March 2024 and we will advise you on whether a Look Through Company will suit you. If this is the preferred option, we need to have an application forwarded to the Inland Revenue Department before 31 March 2024.

BONUS PAYMENTS

If you are contemplating paying a bonus to staff, for it to be tax deductible at 31 March, it must be paid out within the following 63 days.

PREPAYMENTS

You are entitled to a tax deduction for some expenses even though they will not be used or consumed until after balance date. Below are some of the more common:

1. RENT – not more than \$26,000 and not prepaid by more than 6 months in advance.
2. CONSUMABLE aids up to a value of \$58,000.
3. INSURANCE PREMIUMS – not prepaid more than 12 months in advance and the annual expenditure does not exceed \$12,000.
4. OTHER PERIODIC PAYMENTS for services such as telephone, service contracts, advertising etc – not paid more than 6 months in advance and no exceeding \$14,000.
5. STATIONERY AND POSTAGE, NEWSPAPER SUBSCRIPTION – no time limit or amount.
6. RATES paid in advance provided you have a invoice for the future period.
7. TRAVEL – as long as not for 6 months in advance and less than \$14,000.