Accountants & business advisers

PKF ROSS MELVILLE

INFORMATION REQUIRED FOR 2011 ANNUAL ACCOUNTS & TAX RETURNS:

Sole Trader/Individual – Trading/Business

1. **Accounting Information** – if you use a computerised accounting software such as MYOB, Quickbooks and Easybooks please:

    (i) Provide a backup disk (floppy disk or CD) for your financial year, or

    (ii) Email through a copy of your backup file or data file to the person you normally contact.

    Also please advise the version of the software and password (if applicable).

    (For Cashmanager please refer to separate instructions).

2. **Receipts and Payments** - choose from the following options whichever is applicable:

    (i) Manual Cash Book – reconciled cash book with the year's receipts and payments summarised so as to minimise coding and processing time.

    Include a copy of the year end bank statement and reconciliation.

or (ii) Clients using the Cashmanager computerised cashbook should refer to the attached sheet.

or (iii) Clients who are utilising the Banklink service or Xero should liaise with their usual contact in the office regarding completion of the appropriate paperwork.

or (iv) Bank statements, cheque butts and deposit books for the year.

All deposits should be identified with items other than sales/income clearly marked.

Clearly note GST payments and refunds.

All payments not business related to be clearly stated.

or (v) If no separate business bank account then provide a summary of income and expenditure for the year.

3. **Petty Cash Book** for the year.

4. Amount of **Cash on Hand** at balance date.

5. A schedule of your **Trading Stock** and **Work in Progress** held as at balance date.

Stock should be valued on a line by line basis at Cost, Discounted Selling Price, or Replacement Price. Stock may only be valued at Market Value where this is lower than Cost or turnover does not exceed $3,000,000.

(i) Figures for work in progress should be scheduled if applicable.

(ii) The Inland Revenue Department requires your stock figure to be supported by detailed "stock sheets".

(iii) Please ensure Goods in Transit have been included if paid for prior to balance date.

6. **Creditors**

Amounts owed by you as at balance date.

This should include all debts incurred prior to balance date and not paid by you until after that date.

A schedule is required detailing to whom payments are due <u>and</u> the type of expenses (e.g. Purchases, Car Expenses etc).

Please note whether the amounts include GST.

7. **Debtors**

Amounts owed to you as at balance date.

A full list of these should be supplied with all debts considered bad or doubtful clearly marked. (Note Bad debts must be written out of your debtors ledger by midnight on balance date to qualify for a deduction).

Please note whether the amounts include GST.

8. **Fixed Assets**

Full details of any Fixed Assets purchased during the year, i.e. Plant, Machinery, Vehicles, etc. Note, generally, items costing less than $500 can be expensed.

If any assets have been bought on Hire Purchase, or are leased, please provide a copy of the relevant document.

Full details of any Fixed Assets sold, traded in, scrapped or no longer in use, are required including details of any insurance claims. Include details of sale proceeds and the relevant legal statements.

If you own any land or buildings please attach a copy of the latest local body or independent valuation.

9. **Investment Property**

If applicable, please provide the following information:

(i) sale and purchase agreement, and solicitors settlement statement
(ii) registered valuation (and chattels valuation if available)

(iii) period available for rental (if not full year)
(iv) property manager statements
(v) is the property rented to an associated person or entity?

10. Wages / ACC

Please provide a record of total wages paid to employees in the year, e.g.

(a) copy of annual summary report from your computerised system, or;

(b) copy of relevant section of your wages book, or;

(c) copies of the IR345/employer monthly schedules for the year;

(d) Copies of ACC levies billed by Accident Compensation Corporation in the year.

(e) Amount of holiday pay owing at balance date (please also specify how much has been paid within 63 days of balance date).

11. GST

Copies of GST returns filed in the year, together with GST workpapers.

12. Motor Vehicle Expenses

– Sole Traders

Details from your car "log book" to enable proper apportionment of car expenses to be made. Vehicle expenses will need to be categorised to highlight "costs per vehicle" to enable apportionments for private use to be fairly made.

13. FBT

Please supply FBT returns and workings for the year.

14. Loans/Mortgages

Details of loans or mortgages raised or repaid during the year (preferably including agreements and solicitors' statements) and details of security given.

Statements from your bank advising interest and principal repaid during the year and confirmation of loan/mortgage balance and interest rate at balance date.

15. Investments/Other Income

Details of interest, dividends, or rental income etc received during the year. (Note that details of National Superannuation, salary/wages and withholding income with PAYE source deductions will be sent to us directly by Inland Revenue).

Where interest and dividends have been received we will require information from the paying source noting withholding taxes deducted, imputation credits etc.

If any investments have been bought or sold, eg shares, bonds, please supply documentary evidence.

Where investments are held through a financial services provider, please supply copies of the annual tax summary provided.

Overseas Investments/Pension Funds/Unit Trusts – Some overseas investments may now fall under the Fair Dividend Rate regime (FDR). Please supply details of overseas investments held.

Portfolio Investment Entities (PIE) – If an investment is held in a PIE, please supply a year-end summary from your financial services provider.

16. Personal Details

(a) To enable consideration for rebates, please advise (where appropriate), personal details as follows:

- Names and dates of birth of all children still at school;
- Names of any family members who have a Student Loan;
- If you have paid to have a child cared for, to enable you and your spouse to work, please provide details;
- Receipts for all donations to charities, and school fees of $5.00 or greater.

(b) If your lawyer has carried out your annual gifting requirements please provide copies of the documentation.

17. Use of Home for Business Purposes

If you have an area of home specifically set aside for business purposes, please supply the following information:

- Original cost of property;
- Cost of capital additions or alterations;
- Enclose a copy of local body or independent valuation (only applies if this is a first claim or you have shifted since last year);
- Mortgage interest for year;
- Rates and water rates for year;
- Electricity/gas for year;
- Insurance for year – building only;
- Insurance for year – contents only;
- Repairs and maintenance (details please);
- Telephone (rental only) if not already claimed;
- Area of office/workshop;
- Total area of home (including above);
- If you sold your home during the year, please provide details.

18. Other information:

(a) Details of business transactions not carried out via the business bank account, e.g.

(i) Details of all business expenses paid from private sources;

(ii) Details of payments made directly from business takings;

(iii) Details of all takings not banked into the business bank accounts;

(b) If family or spouse assisted in running the business, note number of hours per week on average and amount of wages paid.

(c) Note if the general nature of your business has changed during the year.

(d) Please advise details and value of any goods taken from stock for private use.

(e) For overseas denominated accounts, please provide copies of bank statements and related bank documentation.

19. Legal Fees

Please provide copies of all Legal Fee invoices paid in the year. If not clearly narrated, please note on each invoice what the legal fees were for so we can determine deductibility.

20. Entertainment Expenses

Most entertainment expenses are restricted to 50% deductibility for tax purposes. However, some are still fully deductible or qualify for a partial exemption e.g. overseas expenditure on entertainment, out-of-town entertainment expenditure, promotional functions open to the general public etc.

Do any of the expenses you are claiming fall within the above categories? Please give full details.

21. Confirmation of Instructions

In furnishing this information, I accept responsibility for the accuracy and completeness of the information supplied which is to be used in the preparation of my financial statements. You are not to complete an audit, nor do I wish you to undertake a detailed review of my affairs in order to substantiate the accuracy of my information, and therefore you are unable to provide any assurance on my financial statements. I understand your work cannot be relied on to detect error and fraud and that you accept no liability for the accuracy and completeness of the information supplied by me. I further understand that the financial statements will be prepared at my request and for my purposes only and that you will not be liable for any losses, claims or demands by any third person.

I also accept responsibility for all other records and information supplied to you other than those listed. I accept responsibility for any failure by me to supply all relevant records and information to you.

Under the terms of the Privacy Act (1993), I authorise PKF Ross Melville to seek additional information as they may require for the proper completion of my financial statements and income tax returns.

Client Name: ....

Date: ....

Signature: ....