

END OF FINANCIAL YEAR PLANNING

FARMING CHECKLIST

WHY DOES YEAR END ALWAYS CREEP UP ON US?

If you're in the busy Agricultural sector, you could be forgiven for being surprised every year when balance date looms.

Whether the end of your financial year is 31 May, 30 June or 31 July, the preparation for farming is the same.

There are many financial factors to take into consideration, and it can be easy to forget what you need to provide your accountant.

That's why we've put together a checklist of relevant information, and tasks, so you can ensure everything is in order and there are no unwanted surprises come your year end.

FIRST THINGS FIRST

- ☐ Talk to your accountant or bookkeeper.
 - They'll tell you what you need to do before the end of your financial year.
 - Including what you can claim for and what you can't.
 - Remember, tax time is busy for them too, so the more prepared you are, the smoother the process, and the better the result.
- ☐ File your return on time.
 - Don't waste your hard-earned cash on unnecessary interest and penalties.
- ☐ Get your accounts up to date, tidy up loose ends and file on time.
 - The following pages will help you gather the information that will make your accountants job much smoother.

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RECORDS REQUIRED

Accounts Payable (Creditors) - We can provide a Creditor Schedule on request		Comment
<p>All accounts or amounts owing BY YOU at balance date should be scheduled indicating name of creditor, amount and what the debt is for.</p> <p>Alternatively, highlight in cash book those items in the month following your balance date, which should be included.</p> <p>Holiday pay or bonuses paid within 63 days of your balance date may be included.</p>	<input type="checkbox"/>	<p>Total at Balance Date:</p> <p>\$ _____</p> <p>GST Included <input type="checkbox"/></p> <p>Excluded <input type="checkbox"/></p>
Cash Income Not Banked During Year		
<p>Proceeds received but not paid into your bank account or stock firm.</p>	<input type="checkbox"/>	<p>Details:</p> <p>_____</p> <p>\$ _____</p> <p>_____</p> <p>\$ _____</p>
Capital Expenditure		
<p>Attach details of assets purchased or sold during the year such as motor vehicles, plant and equipment and properties. Where applicable please provide the following details:</p> <ul style="list-style-type: none"> ▪ Hire purchase or loan agreements ▪ Lease agreements ▪ All legal statements and agreements ▪ Trade-in details ▪ Lost, stolen or scrapped items ▪ Copy of Tax Invoices <p>A copy of last year's Asset and Depreciation Schedule is attached for your information. We suggest you review the schedule and indicate any assets that no longer exist.</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	

RECORDS REQUIRED

Development Expenditure		Comment
<p>Development expenditure includes clearing land, drainage, construction of roads, irrigation, supporting frames for crops, construction of fences (where there are no existing fences), etc. It can also include costs such as fertiliser or regrassing if you are undertaking a major conversion project.</p> <p>Please provide full details if you have undertaken any work of this type.</p>	<input type="checkbox"/>	
Legal and Loan Documents		
<p>Please attach any solicitor's statements and Sale and Purchase Agreements relating to any legal transactions during the year. Please also include Statements and Agreements relating to any mortgages, hire purchase, leases or loans. Please include a copy of your latest Rateable Valuation for any properties you own.</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
Business Expenses		
<p>There are a number of invoices that we specifically require. Please ensure the records you provide us with include all paid accounts for:</p> <ul style="list-style-type: none"> Insurance premiums Legal fees ACC payments and arrangements 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
Farm House Expense Apportionment (including any attached garage / storage space)		
<p>Please provide the following details:</p> <p>Area of house (msq / sqft)</p> <p>Area dedicated for business purpose (msq / sqft)</p> <p>Area of house with mixed use - used for both business and private purpose (msq / sqft)</p> <p>Time of mixed use area used for business purpose %</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<hr/> <hr/> <hr/> <hr/>

RECORDS REQUIRED

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RECORDS REQUIRED

Unsold Produce			
<p>Please provide full details of any produce on hand at balance date that is intended for sale. Examples include honey, wool, timber, hay, silage, crops.</p> <p>Category Quantity</p> <p>Wool kg</p> <p>Timber _____</p> <p>Hay Tonnes dry matter</p> <p>Silage Tonnes dry matter</p> <p>Grain Tonnes _____</p> <p>Honey kg</p> <p>Firewood _____</p> <p>Other Produce, Harvested Crops & Fruit</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Total Value</p>		<input type="checkbox"/>	<p>Estimated Value (Excl GST)</p> <p>\$ _____</p>
Private Use			
<p>Value of goods taken for private use at their cost price (excluding livestock).</p> <p>Goods taken for own use Quantity</p> <p>Sheep _____</p> <p>Cattle _____</p> <p>Pigs _____</p> <p>Milk _____</p> <p>Other _____</p>		<input type="checkbox"/> <input type="checkbox"/>	<p>\$ _____</p> <p>GST Included <input type="checkbox"/></p> <p>Excluded <input type="checkbox"/></p>
Expenses paid in Cash or from Personal Funds			
<p>Please provide a list if applicable</p> <p>How many meals have you provided to contractors? (morning / afternoon tea = 1/2)</p>		<input type="checkbox"/> <input type="checkbox"/>	<p>Quantity</p> <p>_____</p>

RECORDS REQUIRED

Residential Land Withholding Tax

Have you sold residential property in New Zealand where Residential Land Withholding Tax has been deducted and paid to the IRD? If so, provide details e.g. IR1100 Residential land withholding tax return and other sale and purchase documents.

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Residential Property Sales

Have you sold any residential property during the year (not otherwise detailed on the information provided)?

If yes, when was the property purchased?

If it was purchased with 5 years of the sale date,

- what was the original purchase price
- and the sale price?

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\$ _____

Research and Development

If this entity is a company, have you spent significant amounts on research and development during the income year? If so, provide ledger accounts and details of expenditure

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Motor Vehicles

The proportion of motor vehicle business use as established by your vehicle log book(s) is/are:

Vehicle Description _____ Vehicle Description _____

Business _____ km Business _____ km

Total _____ km Total _____ km

Percentage Business _____ % Percentage Business _____ %

- Please note that a detailed and accurate log book must be completed for a three month period every three years or vehicle expense claims will be limited to a maximum of 25% of expenses incurred.
- If you are operating as a Company, please indicate which vehicles you are currently paying Fringe Benefit tax for.

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RECORDS REQUIRED

Mixed Use Holiday Home

Does this entity have a property (such as a holiday home or a bach) that is used privately and also to derive income? Yes ☐ No ☐

If yes, provide details of property:

Was the property empty for 62 days in the income year? Yes ☐ No ☐

If yes, please complete the following section so we can determine the amount of allowable deductions.

Mixed Use Holiday Home - Information Required

The number of days the property was empty during the income year _____

The number of days the asset was used by family or associated persons* during the income year _____

OR where income from any person received was less than 80% of market rate _____

* Associated persons include close relatives, or if owned by an entity, persons associated with the entity owning the property

If there is more than one tenant who used the property through the year, please attach details.

Name of tenant: _____

Relationship to owner (if any): _____

Amount of rent they paid:\$ _____

Dates rented (From: To) _____

Expenses incurred in respect of the property (the list below is not exhaustive - details of all expenses will be required):

Cost of advertising for tenants \$ _____

Cost of repairing damages caused by tenants \$ _____

Number of days spent in the property while repairing damages caused by tenants _____

Mortgage interest \$ _____

Rates \$ _____

Insurance \$ _____

Repairs/maintenance for general wear and tear \$ _____

Other (please give details) : _____

RECORDS REQUIRED

Mixed Use Boat or Plane

Does this entity have a boat or plane (with a market value of \$50,000 or greater), that is used privately and also to derive income? Yes ☐ No ☐

If yes, provide details:

Description: _____

Market value: \$ _____

Was the asset unused for 62 days in the income year? Yes ☐ No ☐

If yes, please complete the following section so we can determine the amount of allowable deductions.

Mixed Use Boat or Plane - Information Required

The number of days the asset was **unused** during the income year _____

The number of days the asset was used by family or associated persons* during the income year _____

OR where income from any person received was less than 80% of market rate _____

* Associated persons include close relatives, or if owned by an entity, persons associated with the entity owning the property

For non-associated persons where payment received is at least 80% of market value:

Number of days the asset was used: _____

Income received: \$ _____

Expenses incurred in respect of the property (the list below is not exhaustive - details of all expenses will be required):

Cost of advertising for hireage \$ _____

Cost of repairing damages caused by hireage \$ _____

Operating costs / supplies \$ _____

Insurance \$ _____

Repairs/maintenance for general wear and tear \$ _____

Other (please give details): _____

BE MORE SUCCESSFUL

If you need clarification on any of this information, we can work through it together at any time.

It's OUR business to know YOUR business.



AGRI-ADVISORY SERVICE PLANS



GOLD

- 12 Month Cash Budget + Meeting
- 1 Month Budget Revision & 2 hr Meeting
- 1 Monthly Management Report

\$1195 + GST (Monthly)



SILVER

- 12 Month Cash Budget + Meeting
- 2 Month Budget Revision & 2 hr Meeting
- 2 Monthly Management Report

\$695 + GST (Monthly)



BRONZE

- 12 Month Cash Budget + Meeting
- 6 Month Budget Revision & 2 hr Meeting
- Quarterly Management Report

\$495 + GST (Monthly)

BUDGET PACKAGE

- 12 Month Cash Budget + Meeting
\$1,750 + GST (Annually)

OPTIONAL ADD ONS:

- Adhoc Cash Flow & Variance Report - \$350 + GST
- Budget Revision Meeting - \$750 + GST
- Farm Benchmarking Report \$499 + GST (Free for annual Agri-Advisory Clients)
- Farm Stats Report - \$499 + GST
- Figured Lending Application \$1,000 + GST
- Five Year P&L, Balance Sheet & Cashflow Scenario - \$750 + GST

AGRI-ADVISORY PACKAGES

TAKE CONTROL OF YOUR FARM'S FINANCES

NAVIGATE UNCERTAINTY

It's never been easy to anticipate what's coming next, but when you can access the right information and insights, it becomes easier to know if your business is prepared.

With our NEW Agri-Advisory Service Plans, we are taking the power back by looking forward. Instead of waiting to look back on your annual accounts to find insights, we now have access to tools which allow us to see where your business is now and into the next financial year, whilst also being able to plan for a scenario in REAL-TIME.

Our packages are tailored specifically for Farmers like you to make it as easy as possible to take positive steps in the right direction. By choosing the option that suits the needs of your business, we're certain that you will see a significant impact on your outlook this coming year.

WHO ARE THESE PACKAGES FOR?

- 1) Farmers under pressure from high working costs, interest rates or low sales prices
 - Why: There are usually more options to improve your situation than many farmers realise. Having a budget and cash flow forecast is not only important because it gives you a plan to get to greener pastures, but it also gives banks and lenders the ability to provide you with better access to essential working capital options where you need it the most.
- 2) Farmers with lower debt levels
 - Why: If you're further on in your farming journey, finding not only financial freedom, but the freedom from uncertainty is the next crucial step. Whether you're looking for clarity in your succession planning goals, or to leverage your current position to create opportunities for expansion, Lawson Avery works to help you get to where you want to be faster, and with greater focus.