

END OF FINANCIAL YEAR TIPS

Please use this guide to assist with the preparation of your annual accounting and tax information.

STOCK/FINISHED GOODS

Do your annual stock-take on 31 March (or your Balance Date if it is not 31 March) -

- Write down a description and quantity for each stock line.
- Value each stock line at the cost to you excluding GST.
- If any particular item in stock is now only saleable at less than its cost, value it at its net saleable value.

Goods in transit -

- If you have paid for stock but not received it, it should be included on your stock sheet.
- If it is in transit to you and belongs to you, but you have not paid for it, it should be listed both on your stock sheet and on your list of creditors (see below).
- If you have supplied stock to a customer on “sale or return” or consignment, but it still belongs to you at Balance Date, it should be included on your stock sheet.
- Stock that has been supplied to a customer and no longer belongs to you at Balance Date, should not be on your stock list. If the customer has not paid for it, it should be included at sale price, plus GST, in your list of debtors (see below).

WORK IN PROGRESS

- Work in progress is work you have substantially completed but have not yet invoiced. Work in progress should not be included in your stock sheet.
- Review your invoicing, purchases and stock take and determine your work in progress. Write down the value of this excluding GST.
- If purchases and other expenses have been included in work in progress valuations but not yet paid for, then these purchases should be included in your creditors listing (see below).

CREDITORS (people you owe money to)

- As soon as possible after Balance Date, prepare a list of creditors.
- Include any goods or services purchased at any time on or before your Balance Date, but not paid for until after Balance Date, e.g. (assuming 31 March Balance Date) goods bought the previous January and paid for in April, or goods bought in March and not paid for until a later date.
- If goods are in transit to you and belong to you but you have not paid for them, they should be included in your list of creditors.
- Do not include anything that you do not actually have liability for as at Balance Date.
- Remember, your list is compiled as at the close of business on your Balance Date. Any transactions that happen after Balance Date, even just the day after, do not affect your list of creditors.

DEBTORS (people who owe you money)

- Before Balance Date review your list of debtors and write off any bad debts or debts likely to be bad (you must have documentation to show you have taken all reasonable steps to try to collect the debt).
- As soon as possible after Balance Date, prepare a list of debtors.
- This is a list of money owing to you including GST as at the close of business on your Balance Date.
- If a customer paid you on 1 April or later for goods supplied on or before 31 March, he/she is a debtor as at 31 March.
- For clarity, a customer who bought goods from you the previous January and didn't pay his/her account until after 31 March is a debtor at 31 March (assuming 31 March Balance Date).

INCOME IN ADVANCE

- This is when a customer has paid you in advance for goods or services not fully delivered by Balance Date.
- Please provide details.

PRE-PAYMENTS

- This is when you have paid a deposit, or paid in full or paid in advance, for services or goods not fully delivered to you by Balance Date e.g. 31 March.
- Please provide details, e.g. Insurances, advertising, prepaid rent, consumables, travel and hotel accommodation and service contracts and professional fees etc.

GST

- Ensure that GST annual adjustments for any change in use of assets are made in the last GST return for the year e.g. GST period ended 31 March.

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FINANCIAL ARRANGEMENTS AND OVERSEAS INVESTMENTS

- A financial arrangement would be any arrangement where there is a delay in giving or receiving consideration. Common examples would be a loan, Term Deposits, a bank account that is denominated in a foreign currency.
- Overseas investments would be shares in overseas companies, funds invested overseas with financial advisors, portfolio managers etc. This would include overseas pension funds.

GENERAL

- * If you are unsure about any of the above points, please make full notes and discuss these with us when you bring your records in, or telephone us now.