

Beyond the Farm Gate – Rural Newsletter



BROWN GLASSFORD AND CO LTD

Your Focus : Your Business...

Our Focus : Your Business...

March 2014

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KEY TAX DATES COMING UP

28 March 2014

2nd instalment of provisional tax for June balance date taxpayers.

31 March 2014

We need to file all income tax returns for the 2013 income year by this date. If you have yet to sign and send back to us the tax declarations we will have enclosed with your annual accounts then please send those back to us as soon as possible – thanks.

For those clients who are intending on making deposits (and haven't done so yet) to the Income Equalisation Scheme which are to be treated as a deduction for the 2013 income year, we remind you that these deposits need to be made, and your income tax declarations signed and returned to the IRD **by 31 March 2013**.

7 April 2014

Terminal tax due for all 2013 income tax returns

20 April 2014

Any RWT deducted from interest paid to a lender (but not yet paid to IRD) for year ended 31 March 2014 to be paid to IRD (the annual RWT reconciliation is due 31 May 2014)

EASTER AND ANZAC HOLIDAYS

Due to Easter and Anzac Day falling within a week of each other this year it is a good opportunity for our staff and the directors to have a good break before entering the new processing season. For this reason we will only have a small number of staff in the office on Wednesday 23 April and Thursday 24 April.

CASHMANAGER

Cashmanager Rural are running some training courses on various days between 2 April 2014 and 8 April 2014 in the Canterbury region – if you want to brush up on your cashmanager skills then check out for more detail on the following link [Cash Manager Courses](#)

Staff News - Arrivals

[Laura Shaw](#)

Laura joined Brown Glassford in January 2014 and comes from a family farming background including sheep & beef farming in North Canterbury and dairy farming in Mid Canterbury. She has previously worked for another accounting firm in Christchurch and is also currently studying towards her Diploma in Agribusiness Management.

[Jamie Dudfield](#)

Jamie joined us in March 2014 having recently moved to Christchurch from Southland. He has several years experience working for an Invercargill based farm accounting practice and is completing his final year of entry requirements to be a Chartered Accountant member of the NZ Institute of Accountants.

Staff News - Departures

[Caroline Boyd-Clark](#)

Many of you will have spoken to our receptionist and personal assistant Caroline over the past two years. She has recently left Brown Glassford to join a local law firm, we wish her all the best and thank her for her work whilst she was here.

Staff News – 10 Years Service

[Rachel McVie](#)

We congratulate Rachel for recently completing 10 years service with Brown Glassford. Many of you will know Rachel, and will be as delighted as we are to have her experience and excellent professional skills on the team here.

ACC SERVICE

After conducting a pilot over the 2013 year we are now offering an ACC Administration service to our clients. Currently ACC send their levy invoices to you directly, but unfortunately they are not always correct. The types of error we find include;

- Incorrect industry classification descriptions
- Incorrect liable earnings calculations
- Incorrect levies where changes have been made to the business structure
- No splitting of income to allow for different types of work carried out

Our ACC Administration service will involve the following;

- We become your ACC agent and receive the ACC invoices
- We will review the invoices to check they are correct
- We will advise you immediately of payments due
- We will keep you up to date with any changes in ACC legislation that may affect you

Please contact us if you would like to know more about this service, including what it will cost and how to get it started.

NZ POST

We continue to find that surface mail delivery is becoming slower and slower. For us specifically, this has meant delays in receiving correspondence from IRD (including client refunds), and delays in you receiving correspondence from us (including refunds and tax payment reminders).

We have recently written to all clients who don't currently receive tax refunds by direct credit to complete some forms requesting IRD to pay refunds by direct credit. We have had a good response so far, if you have not yet sent your forms back can you please do so in the next couple of weeks – thanks.

We will be looking at other enhancements over coming months to ensure you receive correspondence from us in a timely manner, and will let you know when they will be happening.

IRD

Internet / email scam – we have received a number of examples of emails sent directly to clients purporting to be from IRD stating that the taxpayer has a refund due and then asking for bank account or credit card details to pay that refund. Neither we nor the IRD will ask for bank or other personal login details by email – please forward these types of emails directly to IRD: phishing@ird.govt.nz

INTEREST RATES

The Reserve Bank have finally started their much anticipated tightening of monetary policy by lifting the OCR 0.25% on 13 March 2014. Also, over the past 12 months or so there has also been a significant lift in the longer term fixed rates.

Generally speaking, a borrower's interest rate will consist of the underlying money market interest rate swap rate for a term plus a margin. Since the Global Financial Crisis (GFC), the margin now comprises a significant part of the overall interest rate, whereas pre-GFC it comprised a relatively small part of the overall interest rate a borrower pays.

Given this, and since interest often makes up a significant part of the cash expenses of a business, we think it is important that clients understand how their particular interest rate is determined and are actively encouraging they ask their bank the following questions:

1. "What is my margin?"
2. "What is the range of margins the bank charges its clients in similar circumstances to mine?"
3. "Given where I sit in this range, what can I or my business do to reduce that margin?" (ie: in terms of cashflow and/or security offered).

A greater understanding of these will help determine what influence you can have over your cost of funding. We are happy to discuss this with you at any time.

BROWN GLASSFORD STUDY SCHOLARSHIP

Many of you know that we offer one annual scholarship to students entering their second year of a Bachelor of Commerce and Management at Lincoln University. The scholarship was established to provide financial assistance to talented students studying towards a career in farm accounting. We currently assist two students through this scholarship. See our website for more information about the scholarship: www.brownglass.co.nz

BROWN GLASSFORD SPONSORSHIPS & GRANTS

We currently support a number of rural community projects and often receive requests to sponsor various events and projects. As a result, we have established an annual pool of funds to allocate for such projects, and consider all requests at the same time.

The close date for such applications is 30 April 2014. If you would like us to consider a request then please complete a Grant Application Form from our website and send it to Kathleen Woodside by the closing date: Kathleen.woodside@brownglass.co.nz