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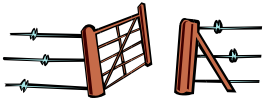


BROWN GLASSFORD
AND CO LTD

Beyond the Farm Gate

Farming Newsletter

December 2010



THIS EDITION

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Staff News



Chris Hussey

This month we farewell **Chris Hussey** as she moves to Northland to be closer to her family.

Chris has been working firstly for Graham since 1990 and then for Brown Glassford since its incorporation in 1999. Earlier this year the company and Graham made a presentation to Chris for 20 years service – an impressive record in any organisation! Chris has been our Tax Administrator for a number of years and has always ensured the practice had a robust and well managed tax system.

We wish Chris all the very best for her new adventures in Northland and we will definitely miss her smiling face around our office.

Merry Christmas



To all of our wonderful clients, business associates and supporters, the Brown Glassford team wish you and your families a joyous Christmas and an exciting and successful 2011 year.

Our office will close at 1:00pm on Thursday the 23rd of December 2010 and will re-open on Monday the 10th of January 2011 at 8:30am.

Should you need to contact us urgently during this time, you can contact Graham, Peter, Haydn or Paul on their individual cell phones:



Graham: 027 437 3199
Peter: 027 439 3246
Haydn: 021 242 9488
Paul: 021 263 6669



Sarah McCully

We would like to introduce you to our newest staff member **Sarah McCully**. Sarah began working for us in September 2010 as an Accountant. She grew up in Timaru and worked in a Chartered Accountancy practice whilst studying. Sarah lived in London for three years and obtained here ACA while there. In her spare time Sarah enjoys socialising and relaxing with her family and friends. Welcome to the BG team Sarah!

Payment Dates - Christmas and the New Year



GST Return

A reminder if you are filing a GST Return for the period ended the 30th of November 2010 which would normally be due on the 28th of December 2010; it will be due on **Monday the 17th of January 2011**.

If Brown Glassford & Co Limited prepares your GST Returns for you, please have your source data to us by **Friday the 17th of December 2010**.

Working for Families Tax Credit Payments

Working for Families Tax Credit payments due on Tuesday the 28th of December 2010 and Tuesday the 4th of January 2011 will be paid early:

- Payments scheduled for Tuesday the 28th of December 2010 will be available to customers on Saturday the 25th of December 2010.
- Payments scheduled for Tuesday the 4th of January 2011 will be available to customers on Saturday the 1st of January 2011.

The minimum Family Tax Credit provides a guaranteed minimum family income to families who are in work and helps support them in moving off a benefit and into paid employment.



Shattered Buildings, Business and Dreams

A disaster like the Christchurch earthquake can happen at any time, day or night. Our nation sits precariously on islands that straddle fault lines and volcanic vents.

These 'acts of God' send a very real warning to both businesses and private citizens to check that insurance cover is both comprehensive in type and of sufficient value to indemnify losses. Some Christchurch businesses are facing serious financial hardship because their risk cover was inadequate or, even worse, non-existent.

An insurance broker has provided us with the following list of business risks that need to be covered:

1. Commercial Building Insurance:

Full replacement value including loss of rental income for 12-24 months minimum, and landlord liability.

2. Stock:

Insured for full value and allowing for seasonal fluctuations and multiple locations.

3. Plant & Equipment:

Again, for full replacement value at today's costs.

4. Business Interruption:

The sum insured should be for the full gross profit figure allowing for trends over the next year or two. An adequate indemnity period is vital, 12-24 months minimum.

5. Marine/Transit Insurance

For stock being transported within the country and overseas.

6. Public Liability Insurance

Including Statutory Liability and Employers Liability.

The above list is certainly not exhaustive and you should seek advice from an insurance broker or company to ensure your business assets are protected with comprehensive cover of all risks and losses. The unthinkable can happen and did happen three months ago!



Gift Duty

On 1 November 2010, Government announced that it will abolish Gift Duty with effect from 1 October 2011. This decision seems quite a sensible one. Gift Duty raises a paltry \$2.2 million each year for Government, when in fact it collectively costs Trusts around \$70 million per annum to file Gift Duty Statements, most of which are for no Gift Duty to be paid. At last some simplification!

It is natural to be concerned that the removal of Gift Duty creates an 'open slather' environment, encouraging people to hide assets in Trusts to avoid creditors. Not so says the Government, who suggest that there is plenty of protection in the Insolvency Act to safeguard creditors. For those of you with Trusts and gifting programmes in place, we will keep you updated over the coming months on how the abolition of Gift Duty should be administered.



Use of Money Interest Rates to Change



On 23 November 2010, the Minister of Revenue, the Honourable Peter Dunne, announced that the Use of Money Interest (UOMI) rates on underpaid tax are to change, in line with market rates on which they are based.

The rate charged by the Inland Revenue on unpaid tax will fall from 8.91% to 8.89%, while the rate for overpayments of tax will increase from 1.82% to 2.18% from 16 January 2011.

Changes to ACC CoverPlus Extra



As of June 2010, ACC has implemented some important changes to make ACC CoverPlus Extra (CPX) more flexible for our clients.

CPX enables self employed people and non-PAYE shareholder-employees to negotiate your level of weekly compensations to suit your unique situation. That way, they know exactly what you will receive if you are injured and are unable to work – and it does not matter whether the injury happened at work, home or on the sports field.

So what are these changes...

Introduction of a policy start date

Previously, the start date for a new policy or a policy change was the date when the application or request for change was received by ACC. The CPX application form now includes an effective start date field so you can nominate a future start date allowing you to organise your lost earnings cover in anticipation of your circumstances. Your policy will be effective from the elected start date, or the date ACC receives your application form – whichever is the latest.

Introduction of a rollover process

Previously, ACC has sent out renewal letters to all CPX customers at the conclusion of each levy year which was followed by an invoice. This process will cease from this year and instead you will only receive an invoice outlining the levy rates for the coming year. You will then have 30 days from the date of the invoice in which to make any policy changes. Changes received within the 30 days will then be back-dated to 1 April.

Tax deductibility for shareholder-employees

Previously, premiums for CPX have not been tax deductible for shareholder-employees. Now, when an employer company pays a shareholder-employee's CPX levy, or reimburses them for payment of those levies, the amount paid or reimbursed (excluding the earners' levy) will be tax deductible as an expense to the employer company. These changes will make CPX a more attractive cover option for shareholder-employees.



Family Tax Credit to Rise

The annual amount of the minimum Family Tax Credit that guarantees a family's after-tax income will rise from \$21,008 to \$22,204 from 1 April 2011. The new rate takes into account anticipated inflation rates and the recent rise in the GST rate.