



Newsletter December 2010

Office News

Our office will close on Thursday December 23rd and reopen on Monday January 10th. Payroll services for clients will continue over the holiday period. For any urgent enquiries, we will be checking emails and phones on a regular basis so please leave a message.

We thank our staff for another year's hard work. Recently we said farewell to Jim Kyle who retired after 42 years with the firm. Michael Collins has also moved to further his career and we wish him well. He is replaced by Karyn Walters who qualified in the same year as Michael.

Christmas Promotion

The Matamata Public Relations Association, of which we are a member, is running a Christmas promotion with the chance to win \$10k worth of goodies from right here in Matavegas. All you need to do is fill in the form which is attached and get it back to us and we will make sure you are in the draw.

Strategies for 2011

Over the next few weeks we will be lying on the beach, working on our tans, listening to cricket, hoping Dan Vettori will take a wicket and dreaming of Richie Mc Caw holding aloft the Rugby World Cup. However our minds are never far from work and between the Chardonnay and the Sauvignon, the Merlot and the Malbec we will be contemplating deeply, changes in our business rules and taxation that will occur in the New Year.

When there is a change of government, there are always tax law changes over the new government's first term which reflects the different political philosophy. Some of the changes which will be fully felt next year are:

Tax rates

The top personal tax rate will reduce to 33 cents for the next financial year and this will kick in when income hits \$70,000. Trustee tax remains at 33 cents. Tax on Company income will reduce to 28 cents.

LAQC Companies

The Loss Attributing Qualifying Company registration will cease at the end of the current financial year. We have around 2-300 LAQC client companies. More details will be sent to Clients with LAQC companies early next year so that they may consider the options available.

Gift Duty

As from October 1st 2011 gift duty will be abolished.

We suggest that your annual gift statement between now and next October be deferred until after you are able to complete the one gift declaration to complete your gifting programme. There may be circumstances where gifting off the whole loan is either not appropriate or desirable so we suggest that you discuss the options available with us first.

Depreciation on Buildings

As from the next financial year the depreciation rate on most long term buildings goes to "0 ". Whilst the year that the full effect of this change will be felt is the 2012 tax year, it will need to be factored in to provisional tax calculations particularly for Companies and Trusts.

Clients with significant commercial property and consequently large depreciation claims will feel the effect through reduced expense claims resulting in increased tax commitments

Emission Trading Scheme (ETS)

There are a number of target dates which come up next year.

Farmers need to be aware that there is a less-than-50-hectare exemption available. If there is any chance of current woodlots being returned to pasture, then the owner has the opportunity before 30 September 2011 to apply for an exemption.

The exemption removes the woodlot from the ETS and allows that land to be converted back to pasture without having to pay. The possible costs through not having the exemption are high.

Tax Pooling

If you funding provisional tax payments of reasonable size from within your overdraft and wish to consider alternative finance sources, then there are organizations that have arrangements with IRD to fund prov. tax payments. Their finance rates to approved clients are potentially less than Bank Overdraft rates and less than Use of money charges from IRD.

If you wish to consider such a payment plan then give us a call and we will forward you the promotional material.

A question of luck

Ever wondered if some unexpected windfall was more good luck than good management? Consider the case (supposedly true) of Manuel and the Spanish national lottery. In a lottery where you get given numbers as opposed to picking them, Manuel requested of his local lotto shop to give him a ticket ending in number 48. They couldn't so he went on to the next.

After visiting several shops Manuel finally was able to purchase a ticket ending in 48 AND lo and behold that ticket won the national lottery.

When the story got out Manuel was a hero and a rich one to boot. He was soon on TV with the whole country desperate to know why Manuel had chosen 48.

It was a message from the Almighty said Manuel, I had this dream, it lasted all night and all I dreamt about was the number 7, everything I dreamed about came in sevens. The next night I had exactly the same dream and the next and so on. After seven straight nights the dreams stopped.

And, as we all know, Manuel triumphantly told the interviewer, 7 times 7 equals 48.

We wish all clients a Merry Christmas and a Happy New Year.

