

Talk\$:Cents

IN THIS ISSUE

- New Year is Humming
- 2010 End of Year Deadlines
- The Party's over so how is your Cash Flow
- The Year Ahead

FEBRUARY 2011

"Drive thy business or it will drive thee". **Benjamin Franklin**

New Year is Humming

One month of 2011 is already gone and since we have been back in the office we have noticed a lot more activity business wise with new clients and prospects coming to see us, and also you all seem a lot more positive. Let's hope it continues for all of us.

Remember as the economic environment changes then we need to adapt the way we do business whether it is heading into a recession, a period of little or low growth, or a period of rapid growth. We have the tools, staff and the knowledge to help you in any of these situations. For those of you who have managed to survive the last 3 years or have started business in the last 3 years, congratulations for doing things right and we are sure it can only get better.

2010 End of Year Deadlines

There are some of you who have not yet brought in your 2010 end of year work. All 2010 tax returns must be filed with Inland Revenue by 31 March 2011 otherwise you will lose your extension of time and will have to file your 2011 tax returns by 7 July 2011.

If you have not got your 2010 end of year records into us as yet, but you get it to us by the **16th February 2011** we will guarantee to have it completed and the tax returns filed by the Inland Revenue deadline of 31 March 2011. If your work is brought in after 16th February we will try our hardest to get it completed and filed by 31 March 2011 but we can make no promises.

So get your records sorted and into us ASAP. If you need help or have issues with paper work then contact us and we will assist you.

"It is not enough to be busy; so are the ants. The question is: what are we busy about?" **Henry David Thoreau - 19th Century Anarchist**

In the business world, the rear-view mirror is always clearer than the windshield.
Warren Buffett - Entrepreneur

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The Party's over so How is Your Cash Flow!!

The New Year hangover has been and gone, the holiday is over, the kids are back at school and we are back at work. The only difference for most of you is that our work is our business and our work and that of our staff, relies on the success of our business. To make your business a success it takes hard work and discipline. It is often very hard work when the party time of the year is over and cash flow is hard to come by and the tax and GST bills keep coming.

Some of you will have paid your GST and 2nd installment of provisional tax and for some PAYE also, over the last 3 weeks. The next payment for GST is due at the end of this month, and then all of a sudden along comes the 7th April and terminal tax is due and then a month later GST and the third installment of provisional tax. It seems a never ending battle and balancing act paying GST, PAYE and income tax, while at the same time trying to pay the rent, wages and our suppliers.

You need to plan ahead for these tax payments as the Inland Revenue penalties for not paying are horrendous. But we can help you around it by preparing budgets, cash flow forecasting, doing tax purchases to eliminate penalties already incurred, and helping you communicate your position to your bankers and Inland Revenue. We can provide up to date information on your business to your bankers within a couple of days of receiving the information we require from you. This will help support your finance applications to your bankers. If you cannot meet your payments to Inland Revenue we can help put repayment proposals in place and if this is done before the due date of the payment then the penalties are reduced if not eliminated completely. Interest is still charged by Inland Revenue at 8.89% but it can often be at a rate lower than the rate the bank will charge you.

So if you have any sort of cash flow issue, not just with Inland Revenue, then talk to us.

The Year Ahead

2011 is going to be a busy year and you are going to be hearing a lot from us because there will be a lot happening. Firstly there is the change to the taxing of companies and the new tax entity of a "look through company" (LTC) which is similar to an LAQC but with a few hooks. It means we will have to review our clients companies to make sure they are using the correct company type. At present there is a review of Trusts taking place and we envisage changes to these entities and their tax positions later in the year.

In the meantime we will communicate any changes and updates to these entities as they come to hand so that we ensure you have the best business and tax structures in place. For those affected we will be in touch directly, but if you have any questions please do not hesitate to contact us.

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