

WBB Chartered Accountants Ltd

guiding business people to success



March 2023 Year End Newsletter

Welcome to another financial year close off. Where did the last year go! This year promises to be an interesting one with an election and economic uncertainties. Please remember that we are here to support you. Give us a call if you need our assistance.

This newsletter deals with our usual process to help finish off the year, we have detailed below a list of things to do before 31 March, on 31 March, and soon after 31 March.

If you have more than one business, please follow these instructions for each entity.

IMPORTANT INFORMATION FOR 2023 YEAR END

BEFORE 31 MARCH 2023

Bad Debts - It is time to review your Debtors Ledger for bad debts. To claim a deduction for bad debts, the defaulting accounts must be written off your Debtors Ledger prior to the 31st of March 2023.

It is not merely enough to reduce the amount of the debtors after balance date by the amount of estimated bad debts or unrecoverable amounts owing.

Fixed Assets - Review last years fixed asset register for items that have either been sold or scrapped during the year.

Dividends - It may be appropriate to declare a dividend on or before 31 March. This may require top up income tax to be paid by 31 March 2023. We will be in touch early April to discuss dividend recommendations

ON 31 MARCH 2023

Trading Stock - Your stock (including work in progress) must be counted, recorded and valued at 31 March 2023. The trading stock rules require that you value at the lower of cost, net realisable value or market selling value. Remember to exclude GST from your calculations and prepare a written record of your stocktake.

Stock value less than \$10,000 - if your total gross income for the year is \$1.3 million or less; and you can reasonably estimate your stock on hand at 31 March 2023 to be less than \$10,000 (excl GST), you can choose not to value your closing stock or to include any change in value.

Holiday Pay & Wage Reports - Some wages software packages do not allow for printing reports subsequent to 31st March, so ensure you have the reports printed as close to the end of the month as practical. Could you please also provide details of March 2023 Holiday Pay taken by employees up to 2 June 2023.

SOON AFTER 31 MARCH 2023

Year End Bank Reconciliations - If you have a computerised cashbook, when you receive your bank statement for 31 March 2023, ensure all transactions are entered for the year, perform a bank reconciliation to this date being 31 March 2023 and print a hard copy for your records. Also copy your 31st March 2023 bank statement for completeness.

PAYE Payments Due 5th/20th April 2023 - If you are planning to pay out Directors Fees or additional salaries to either your employees or shareholder employees, you will need to pay to the IRD the PAYE content of the payments by the 5th of April and the 20th of April 2023.

Dividend RWT Payments Due 20th April 2023 - If you are planning to declare dividends on 31 March 2023 you will need to pay to the IRD the RWT content by the 20th of April 2023.

Interest RWT Payments Due 20th April 2023 - If you are planning to pay interest on loan accounts at 31 March 2023 you will need to pay to the IRD the RWT content of the interest by the 20th of April 2023.

3rd Provisional Tax Instalment Due 8th May 2023 (*due to the 7th falling on a weekend*)

- The final instalment of 2023 Provisional tax is not due till after the end of the tax year. While this may be good for cash-flow, it could have negative implications if you want to pay a dividend this year. If you think this affects you, please discuss any concerns with us.

We look forward to working with you again this year.

Lewis, Brett, Glen and the WBB Team



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