

19th March 2024



Dear Client,

RE: End of Financial Year 31 March 2024 – Things to Consider.

This year has passed very quickly so far, helped by the great summer weather we enjoyed. In recent days the weather has changed and autumn is definitely on its way.

The 31st of March triggers the end of every financial year. This year it's a bit tricky as Easter Sunday is 31 March so for most businesses 31 March will be the Tuesday after Easter instead. ✕

Before then please take time to review our end of year questionnaires at the bottom of the front page of our website. They are a good reminder of information we may require to complete your annual accounts and taxes. The questionnaires are also useful for preparing tax returns if you only receive investment or superannuation income.

In particular, please have a think about these items if you want to reduce your 2024 taxes:

1. Your business can purchase some extra ongoing expenses and claim tax deductions in 2024 as long as you receive an invoice dated 31 March 2024 or before for larger value items. Check with us as this does have some limitations. ÷
2. Bad Debts – If you want tax deductions for bad debts then any unpaid amount must be written out of your accounting system by 31 March and you have really ceased trying to collect any payment.
3. Stock on Hand – is valued at the lower of cost price or market value. Old stock or obsolete stock can be reconsidered with a lower valuation. =

If you have sales less than \$1.3million per year, you don't have to count your stock but it might be worthwhile doing if you think your stock on hand has reduced.

4. Fixed Assets – If you have any assets you are no longer using and are willing to sell or dump by 31 March 2024 then please let us know. Fixed Assets can be written off if they are no longer in your possession.

New Government / New Tax Rules

Whilst most clients are aware of a frenzy of proposed tax changes, none of the new government's plans are yet final laws. So, for now, it is difficult to give advice as not much is certain. However, it appears that:

1. The trustee tax rate change from 33% to 39% will occur from 1 April 2024 with a small exemption for trusts earning less than \$10,000.
2. The interest tax deductions and bright line tests will be changing. The budget should provide clarity at the end of May.
3. Potential personal tax rate changes will also be announced in this year's budget.

I know we are all very busy in our lives up to Easter. However if you can spend a little time now you may save taxes or accounting fees in the future.

If you have any questions please let me know as soon as possible.

Yours faithfully

AC Walker
Chartered Accountant