

## 2017 FINANCIAL STATEMENTS CHECKLIST

Grange Associates Ltd (GAL) is authorised as follows to compile 2017 financial statements and business income tax return for:

### Compilation Engagements

A compilation is limited primarily to the collection, classification and summarising of financial information supplied by the client. A compilation does not involve the verification of that information. GAL will not carry out an audit nor a review assignment on the financial statements and therefore neither GAL nor any of its employees will accept any responsibility for the accuracy of the materials from which the financial statements are prepared.

Further, the financial statements are being prepared at the request of and for the purposes of the client only and neither GAL nor any of its employees will accept any responsibility on any ground whatever, including liability in negligence, to any other person.

### Acknowledgment of Responsibility

It is acknowledged that the financial statements and income tax return to be compiled will be based on the information supplied and that the accuracy of that information and ultimately the accuracy of the financial statements and return is the client's responsibility. This responsibility is imposed by the Financial Reporting Act 2013, the Income Tax Act 2007 and the Tax Administration Act 1994 and cannot be delegated to GAL. Accordingly the client must be satisfied as to the completeness and accuracy of the financial statements and income tax return before signing the declarations thereon.

It is further acknowledged that where there are alternative courses of action GAL can only advise on those alternatives and that the decision taken is the client's. GAL does not and cannot warrant the outcome of any tax or commercial position suggested or taken.

### Privacy Act

GAL is authorised to obtain any additional information required to compile the financial statements and income tax return, and all third parties, including solicitors, advisers, bankers and other financial institutions, are hereby authorised to provide any such information requested by GAL.

### Authority to Act as Tax Agent

GAL is hereby authorised to link any tax account type and activity in respect of the client to its agency with Inland Revenue.

Signed: \_\_\_\_\_ Dated: \_\_\_\_\_  
(By authorised person)

## Instructions

The following checklist is intended as a guide, some items may not apply. In all cases sign the declaration above and forward the completed checklist with your 2017 information to GAL. Please ask if you require clarification on any points.

ITEM	WHAT WE NEED	TICK IF APPLIES
<b>Wages Paid</b>	Copies of monthly employer deduction forms (IR345's), employer monthly schedules (IR348's) and your wage records.	
<b>Transaction Details</b>	<p>Depending on how you maintain your records we will require <b>either</b>:</p> <ul style="list-style-type: none"> <li>- <b>Bank statements</b>, cheque butts and deposit books covering the full year for all business accounts, <b>or</b></li> <li>- <b>Cashbook</b> (reconciled) and bank statements for the full year, <b>or</b></li> <li>- <b>Computer trial balance</b>, general ledger and copy of journals posted throughout the year supported by a <b>reconciled bank statement</b> as at 31 March 2017 for each bank balance shown on the trial balance, <b>or</b></li> <li>- <b>Computer backup file</b> containing reconciled accounting data generated by approved application software supported by a <b>copy of a 31 March 2017 statement</b> for each bank account. (This option requires prior arrangement with GAL), <b>or</b></li> <li>- <b>BankLink</b>, we will receive your bank statements electronically and liaise with you directly.</li> <li>- <b>Xero</b>, if we do not already have access to your Xero files, please send us an invitation so we can then access your Xero information and liaise with you directly.</li> </ul>	
<b>Credit Cards</b>	For credit cards used for business, copies of all statements with any personal transactions noted. (No need to annotate if this information is provided in above transaction details).	
<b>Cash on Hand</b>	Cash on hand as at 31 March 2017 being unbanked takings, petty cash and/or till float.	
<b>GST Returns</b>	All returns and supporting working papers for the year, together with Inland Revenue assessments and statements.	
<b>Stock on Hand</b>	Valuation of stock on hand as at 31 March 2017 to be used in the financial statements. Stock to be counted, costed and scheduled on separate sheets and those sheets are to be retained for 7 years. Valuation to be at cost unless a lower market value is adopted and if so, specify the basis for that market value. Obsolete items to be clearly marked on the stock sheets. <u>All values to exclude GST unless otherwise stated.</u>	
<b>Work in Progress</b>	Valuation of WIP as at 31 March 2017 to be used in the financial statements. WIP to be counted, costed and scheduled on separate sheets and those sheets are to be retained for 7 years. Valuation to be at cost unless a lower market value is adopted and if so, specify basis for market value. <u>All values to exclude GST unless otherwise stated.</u>	
<b>Investments</b>	If you have made investments during the year either within NZ or overseas, supply full details including cost, income received, market value at balance date and brokerage paid. Include annual interest slips, dividend advice slips, dividend reinvestments notices, bonus issues takeover advice etc.	

ITEM	WHAT WE NEED	TICK IF APPLIES
<b>Accounts Payable</b>	List of all amounts owed <b>by</b> you as at 31 March 2017. The list is to show who the debt is owed to, the amount and the type of expense it is (eg. Materials, Vehicle expenses, etc). <u>Advise whether amounts include or exclude GST.</u>	
<b>Accounts Receivable</b>	List of all amounts owed <b>to</b> you as at 31 March 2017. <b>Note. To obtain a tax deduction for bad debts they need to be actually written off prior to 31 March 2017. Advise whether amounts include or exclude GST.</b>	
<b>Fixed Assets</b>	<p>List of assets purchased and sold during the year (eg. Description, amount paid or received, date purchased or sold, financing details). Provide a copy of the invoice and if applicable, HP or loan agreement.</p> <p>Sale and purchase agreements and solicitor's settlement statements are required in respect of the sale or purchase of any land, buildings or businesses. As the rules have changed in regard to building depreciation we will require enough information to split out the building and any non-integral parts. If this applies to you please contact us so we can provide you with further information.</p> <p>Copy and annotate last year's fixed asset schedule for assets no longer on hand because written off, obsolete or traded.</p> <p>Provide details of insurance claims during the year.</p> <p>Copy of any new valuations on land or buildings obtained during the year.</p>	
<b>Mixed Use Assets – Holiday Homes, Boats &amp; Aircraft</b>	<p>If you own a holiday home, boat or aircraft which is used privately and also rented out, please detail the following:</p> <ul style="list-style-type: none"> <li>- Income Received for year</li> <li>- Expenses Incurred for year</li> <li>- Days rented out during the year</li> <li>- Days used privately during the year</li> </ul>	
<b>Borrowings</b>	<p>Documentation supporting new loans raised during the year. (eg hire purchase, loan agreements, mortgages, etc).</p> <p>For all borrowings confirm lender, principal sum, term, security, repayments and interest rate.</p>	
<b>Use of Home</b>	<p>If you maintain a home office summarise all amounts paid in respect of your home generally and your office specifically.</p> <p>Use the following guide if useful.</p> <p>Proportion of area used for business _____%</p> <p>Interest paid on mortgage \$ _____</p> <p>Electricity \$ _____</p> <p>Gas \$ _____</p> <p>Insurance \$ _____</p> <p>Repairs \$ _____</p> <p>Maintenance \$ _____</p> <p>Telephone \$ _____</p> <p>Rates \$ _____</p> <p>Water \$ _____</p> <p>Any other house expenses \$ _____</p> <p>If rented, total rents paid \$ _____</p>	

ITEM	WHAT WE NEED	TICK IF APPLIES
<b>Motor Vehicles</b>	For all motor vehicles used in the business provide either: - Business percentages from log books (a log book must be maintained for three months every three years to determine your business percentage if you are self employed either as an individual or a partner), <b>or</b> - Copies of fringe benefit tax returns supported by working papers <b>or</b> - Confirmation that the vehicle is exempt from fringe benefit tax	
<b>Fringe Benefit Tax</b>	Copies of fringe benefit tax returns supported by working papers.	
<b>ACC Invoices</b>	Copies of ACC invoices and statements received and/or paid during the year.	
<b>Private Use</b>	Advise the cost of goods and services taken for private use during the year. Particularly consider whether there is a private portion to any travel, accommodation or entertainment paid for by the business.	
<b>Business Expenses Paid Personally</b>	Detail any expenditure incurred privately on behalf of the business.  Check that this expenditure has been taken into account for GST purposes.	
<b>Business Income Not Banked Into Business Account</b>	Detail any business income received but not deposited into the business bank accounts.	
<b>Contingent Liabilities</b>	Excluding normal operational matters, details of any contractual obligations outstanding as at balance date.	
<b>Nature of Your Business</b>	Outline any changes to the nature of your business during the year. If GAL does not maintain the statutory records include changes in ownership, directors, trustees and registered office.	
<b>Any Other Information</b>	Provide any other information relevant to the preparation of the financial statements and income tax return.	