

# OnBalance

Local News, Views & Updates from PKF Carr & Stanton Ltd

# PKF

Accountants &  
business advisers

Summer 2010

## Depreciation of Non-Residential Buildings

Following on from the 2010 budget announcement that depreciation would be removed from all buildings from the 2012 tax year onwards, the Government has released a draft proposal regarding depreciation on non-residential buildings.

The proposal is that non-residential building fit-out will continue to be treated as fit-out, and will continue to be depreciable, as long as it is not part of the building structure.



The building structure is considered to be the foundations, building frame, floors, external walls, cladding, windows, doors, stairs, roof, and load-bearing structures such as pillars and load-bearing walls.

For taxpayers who have decided historically to treat fit-out as part of the building, and depreciate along with the cost of the building at the building depreciation rate, a concession will be introduced. The proposal is that in these circumstances, 15% of the adjusted book value of the building will be allowed as a fit-out component, and will continue to be depreciable at the current building depreciation rate of 2% straight line, or 3% diminishing value. Any loss on sale or disposal of this fit-out allowance would not be deductible.

### LAQC Seminar

We will be running a Client Seminar on the **17<sup>th</sup> of February 2011** from 5.30pm to 7.30pm to cover the updates and alternative to the LAQC regime. A separate invitation will be sent to clients early in the New Year.

Our office closes at 1pm on  
Thursday, 23 December 2010.  
We reopen at 8.30am on Thursday, 13 January 2011.

*The Directors and Staff of  
PKF Carr & Stanton  
wish you all the best for a safe  
and happy holiday season.*

## What can we do for you?

### Planning & Advice:

- Tax planning
- Asset protection and succession planning
- Exploring opportunities overseas
- Trusts
- E-commerce
- New business set-up and advice
- Organising and assisting with loan finance
- Feasibility studies
- Business plans
- Budgeting and cashflow forecasting
- Advice on buying or selling a business
- Valuations of shares and business
- Business structures and company formation
- Matrimonial property dissolutions
- Employment incentives, contracts and redundancy
- IRD investigations and audits
- Company taxation, dividend and imputation credit issues

### Computer Services:

- Supply, installation and support for accounting software packages
- Systems evaluation
- Computer hardware support

### Ongoing Support:

- Business management support and advice
- Monthly and periodic reporting
- Cost and management accounting
- Preparation of annual financial statements
- Tax accounting and compliance
- GST and FBT return preparation

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# Use of Money Interest

The **Use Of Money Interest** rates for unpaid and overpaid tax to the Inland Revenue will change from the 16<sup>th</sup> of January 2011.

The new rates will be as follows:

Unpaid Tax	8.89%
Overpaid Tax	2.18%



## Tax Payment Dates

**15 January 2011**



**Second Instalment of 2011 Provisional Tax**

(March Balance Date except for those who pay Provisional Tax twice a year)



**Pay GST for period ended 30 November 2010**

If you would like us to assist you with the preparation of your GST return, please forward the relevant information to us as soon as possible.

## Team News

**Colleen Kaye** – will be leaving PKF Carr & Stanton at the end of 2010 to pursue other business opportunities. Colleen has enjoyed her association with the firm and many of its clients over the years.

The firm is in the process of handing over the professional relationships to the continuing Directors; Michael Jackson, Campbell Brenton-Rule and Peter Jackson and the team of 24 professional and support staff.

We wish her well for the future.

**Rebecca Johnson** – after the arrival of **Fletcher Ryan Johnson** on the 2<sup>nd</sup> of July 2010, Rebecca will be returning to work after the Christmas break on a part-time basis.



**Aorangi West** – was pleased to announce the arrival of **Ruby Norah Paewai** on the 16<sup>th</sup> of November 2010. Both are doing well.

## Director Profile – Michael Jackson



Michael joined the firm in 1987 and was appointed a Partner in 1995. He is now the Managing Director of PKF Carr & Stanton Ltd.

Michael has an in-depth knowledge and understanding of many industries and businesses. He advises a range of businesses and specialises in strategic and business planning, business development, family and owner managed business consulting and succession planning.

Michael is responsible for a substantial client base, which includes numerous high net worth clients. He is a Director of PKF New Zealand Ltd.

Michael is married with two daughters. He enjoys most water sports in the summer and snow skiing in the winter.