



**PKF**  
Carr & Stanton

Chartered Accountants  
and Business Advisers

March 2025



## Kia ora,

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March is very much upon us and as the financial year draws to a close, we reflect on what has been a challenging year for many businesses.

We're not going to talk about the Hawke's Bay summer that wasn't...but maybe it's just late? However, there is certainly still much to ponder.

- Inflation may be back down to manageable levels and interest rates are down, but the cost of living is still a pain point for many Kiwis.
- New Zealand's economy will continue to be impacted by global economic factors, such as inflationary pressures, slowing global growth, and trade disruptions.
- Geopolitical tensions, particularly in the Asia-Pacific region, could affect New Zealand's trade relationships and export-dependent industries, such as agriculture and dairy.
- Trump 2 - the unpredictability of the Trump administration and policies on global markets will have increased uncertainty for New Zealand businesses and there are growing global concerns around defence and security.

Many of these factors are beyond our control, but staying aware is key as these factors may influence your decision making.

As the financial year end approaches, it's a good time to reflect but also to look forward and plan for the road ahead. In this newsletter we cover a few of the things that can help you set up for a successful year ahead.

At PKF Carr & Stanton, we remain committed to providing exceptional service to our clients, navigating the ever-evolving landscape and challenges of business with you.

Our team continues to work closely with businesses of all sizes to ensure they are well-positioned for growth, sustainability, and success in an increasingly complex environment.

Thank you for your continued trust in PKF Carr & Stanton. We look forward to continuing to work with you and supporting your business success in 2025 and beyond.



## Client Success Story

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#### “We're taking this car to Invercargill”

The catch phrase is from the 1980's NZ movie classic “Goodbye Pork Pie”.

*Dumped by his girlfriend, a man joins a reckless youth in a stolen yellow mini and they drive the length of New Zealand, attracting police and media attention, determined to get to Invercargill.*

John and Karyn Glew have been clients of PKF Carr & Stanton for more than 30 years with John and his brother Peter also owning and running local company Lynn Electrical. Father and son team John and Anthony Glew (Dad and Lad) are taking their 1974 mini, named Mr. Bumble, to Invercargill as part of the 2025 Pork Pie Charity run in April.

John and Anthony have talked about doing the Pork Pie Charity run together since John and Karyn did it in 2019. Both John and Anthony are keen drivers and have a love of classic cars. Anthony currently lives in Perth, Western Australia and is flying over especially to do this year's run with his dad. Doing the Pork Pie run again and doing it with Anthony is one of John's bucket list items. They will be the “2025 Blondini Gang” in 1 of 50 minis, tracing the 1980's NZ movie route from Kaitia to Invercargill.



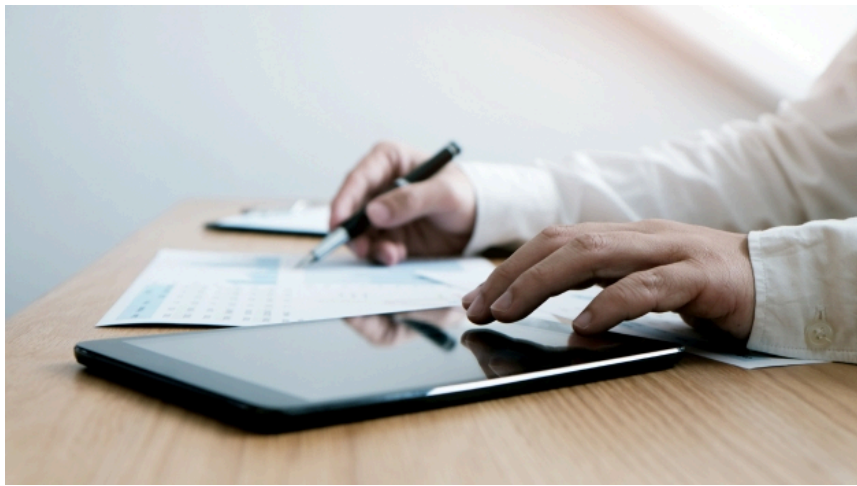
They have 6 days to complete the 2,300km journey and are raising funds for the charity KidsCan. KidsCan is an awesome and unfortunately very much needed charity these days. When Anthony and his sister Kirsty were at primary school 30+ years ago, the PPTA realised that some of the children were going to school with no breakfast or lunch. The PPTA started doing school breakfasts way back then. Nowadays with the help of KidsCan the children get food, shoes, raincoats, personal hygiene products and other essential items required for everyday living and learning.

PKF Carr & Stanton are supporting them again on their 2025 journey. Good luck team – travel safe.

Every \$360 raised helps KidsCan to support a child in need with nutritious food, warm clothing and essential health items for an entire year. You can help with their fundraising efforts; the link below will take you to their fundraising account. Every little bit helps.

[Click here to donate](#)

## Compliance & Tax



#### End of Year Checklist:

- ☒ **Bank Reconciliations** – Make sure that all your bank reconciliations are up to date as of 31 March 2025.
- ☒ **Write Off Bad Debts** – Review your outstanding debtors ledger. If you have tried to recover a debt it is possible you may be able to write it off. Bad debts need to be written off in your accounting system before 31 March 2025 to claim the deduction in that tax year. Please note that although you may choose to write off a debt this does not mean that you can no longer pursue its recovery.
- ☒ **Stocktake** – You need to record exactly how much stock you are carrying at the end of the financial year (excluding GST). If the stock is less than \$10,000 and your turnover is less than \$1.3m for the year, you won't need to include your stock movement for tax purposes.
- ☒ **Livestock** – If you are a farming client, with a 31 March balance date, please take a note of your livestock tallies and keep these on file with your end of year records.
- ☒ **Software Back Up** – If your software is not cloud based, make sure you take a backup of your accounting software before you roll into the new year.
- ☒ **Employee Leave Balances** – Review the amounts owed to employees as of 31 March 2025 such as Holiday Pay, Bonuses, Long Service Leave and Redundancy Payments. These can be claimed in the 2025 financial year if paid within 63 days of balance date, 02 June 2025.
- ☒ **Creditors** – Make a list of suppliers' names and amounts that your business owes money to as of 31st March 2025 (these are the suppliers accounts that you would normally pay in April).
- ☒ **Higher Income** – If your income is higher this year compared to the previous year or you have a trust with a higher tax rate for 2025, you may wish to consider making an extra voluntary provisional tax payment.
- ☒ **Assets no longer used in the business** – Review the business asset depreciation schedule to determine if there are assets that are no longer in use.

If you have any questions, please do not hesitate to contact us on **06 876 8124** or email us.

Contact us for your End Of Year prep

[Inland Revenue Small Business Cashflow Loan Scheme](#)

A reminder that the Inland Revenue Small Business Cashflow Loan Scheme was set up to help businesses struggling with revenue loss due to Covid-19.

The scheme will reach its 5-year anniversary date shortly and will expire for clients who have a 5-year loan. Any unpaid balances will be treated as overdue debt. We are reaching out to our clients who this affects, but please let us know if you foresee any problems with repaying this.

### When Errors Are Made

Tax compliance can be complex, between income tax, GST and PAYE there is often a lot to manage and get right. It is therefore inevitable that from time-to-time mistakes will happen. When these moments occur the question then becomes “what do we do?”.

The Inland Revenue requires taxpayers to make a correct assessment of their tax liability when a tax return is filed. If an error has given rise to an underpayment, taxpayers are obligated to submit a voluntary disclosure to Inland Revenue to have the tax return amended, thereby ensuring the assessment is correct.

To make a disclosure, details of the error need to be provided. Inland Revenue will then review the information and decide if they agree that an adjustment is required.

Where an adjustment is required that gives rise to an increase in the amount of tax payable, Inland Revenue will consider whether a shortfall penalty should be charged. Shortfall penalties also apply if the adjustment reduces the amount of a tax loss.

The nature of the error and the facts surrounding how it occurred determine what type of penalty should apply. There are various concessionary provisions which can apply to reduce a shortfall penalty. For example, if a voluntary disclosure is made prior to being notified of an audit or investigation, a shortfall penalty can be reduced by 75% or even 100% in certain scenarios.

Where the taxpayer has already been notified of an audit or investigation, shortfall penalties are only able to be reduced by 40%.

Some taxpayers will choose not to make a disclosure. This comes with the risk that Inland Revenue may themselves identify the error and if it becomes clear the taxpayer knew about the error and chose not to disclose it, the shortfall penalty implications could be worse. In addition, the perception on Inland Revenue's part that the taxpayer is 'non-compliant' could give rise to increased scrutiny in the future.

The reduction in shortfall penalties for making a voluntary disclosure provides a material benefit to do so and should be the default option. Inland Revenue practice in the context of a voluntary disclosure is also typically a positive experience, given the circumstances.

Therefore, if a “what do we do” moment does occur, making a disclosure may come with some short-term pain, but be better in the long run.

PKF Carr & Stanton can certainly help with advice and the right approach if an error has been made, so please get in touch.

### Staying Cyber Safe

Staying cyber safe is crucial in today's digital world. Increasing knowledge, awareness and education amongst your firm and staff is the first step.

With greater awareness, it means you and your team will be less susceptible to phishing emails and smishing texts - which are the biggest attacks for small to medium businesses. Human error is responsible for a lot of cyber-attacks and cyber-crimes.

Here are a few recommendations to help reduce your risk and stay safe online:

- Use strong, unique passwords for each of your accounts
- Enabling two-factor authentication whenever possible
- Regularly update your software and apps to fix security vulnerabilities
- Be cautious with emails, links, and attachments
- Phishing scams are common, so always verify the sender
- Avoid using public Wi-Fi for sensitive transactions
- Consider using a virtual private network (VPN) for added security
- Back up your data regularly to protect against ransomware attacks

### Driving Success

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### Setting You And Your Business Up For Success

Now is a perfect time not only to reflect on the year that's been, but more importantly think about the year that's coming, by:

- **Reviewing your financials:** Assess your profit and loss, balance sheets, and cash flow statements to identify areas for improvement.
- **Set clear goals:** What do you want to achieve? Define both short-term and long-term objectives for the upcoming year, ensuring they align with your vision.
- **Develop a Strong Marketing Plan:** Update your marketing strategies to reach new customers and keep existing ones by considering digital channels and social media.
- **Invest in Technology:** Is your technology fit for purpose? Upgrade or implement tools and software that improve efficiency and productivity.
- **Build your team:** Hire or train employees to strengthen your team's capabilities and foster a positive work environment. Additionally, consider succession planning.
- **Plan for Taxes:** Review your tax obligations, deductions, and financial structure to minimise liabilities and maximise savings.

PKF Carr & Stanton are just a call away and ready to help you set up for success for the coming year, so please contact us.

Get in touch with our team

### Team News



### Move Your Butt

Last month, our team participated in the Move Your Butt for Bowel Cancer fundraiser! Our mission was to raise \$500 and walk 500km in support of bowel cancer awareness and research.

Every month, 100 Kiwis lose their lives to bowel cancer, and 250 are diagnosed. It's a devastating statistic, and our team were committed to changing that.

We are pleased to share our results:

**Total Raised:** \$678

**Total Distance:** 843km

Thanks to your incredible support, we not only hit our fundraising goal but absolutely smashed our fitness goal too! Every step we took and dollar we raised is a step closer to better awareness and research for bowel cancer.

#### Community Support



#### Timely Tax Reminders



#### Upcoming Tax Payment Dates

##### 20th March

- Employer deductions for employers are due
- RWT on Interest and DWT returns are due

##### 28th March

- Provisional tax payments are due if you have an October, June or February balance date

##### 31st March

- Interim Student Loan repayments are due

##### 7th April

- 2024 End of year Income tax and Student Loan due

##### 21st April

- Employer deductions for employers are due
- RWT on Interest and DWT returns are due

##### 7th May

- Provisional tax payments are due if you have a November, July or March balance date
- GST returns are due

##### 20th May

- Employer deductions for employers are due
- RWT on Interest and DWT returns are due

**28th May**

- GST returns are due

**31st May**

- Annual and quarterly FBT is due

**20th June**

- Employer deductions for employers are due
- RWT on Interest and DWT returns are due

**30th June**

- Provisional tax payments are due if you have January, September or May balance date
- GST returns are due

Once your tax payment has been made, please email us on [tax@pkfcs.co.nz](mailto:tax@pkfcs.co.nz) so that we can update your records accordingly.



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Accountants & business advisers



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