



# CooperAitken BalanceSheet

March 2022



Included this month;

The long and overwhelming to-do list of a dairy farmer by Gavin Haddon | 31 March Balance Date  
New Financial Year | ACC CPX Renewals | Using the correct tax code | Proud to Support



## The long and overwhelming to-do list of a dairy farmer. By Gavin Haddon

**Have you ever been served 100 tennis balls at once and expected to return each one with accuracy? – and when you don’t you are penalised!**

This is how a client described owning a dairy farm now with the outrageous level of compliance all are expected to achieve.

Being totally confused by bombardment of expectation I sat down and started jotting down the on-farm compliance I am expected to conform with on my own farm. The list is still not complete.

I started with my Dairy Company Supply agreement which in itself is quite complicated and should be read.

The next hurdle I thought I should action is ensuring I have copies of my Resource Consents to take Ground Water. I notice they do have an expiry date which is worth noting in your diary. A complicated document on its own. Being proactive I installed a meter and the readings are regularly sent to WRC. Just as well I do as late one Wednesday afternoon recently, I had a phone call from the Council saying they are conducting a spot audit the next morning. With slightly less sleep than usual the meeting went well, however they had no record of my meter readings. When they did however discover them, I now have an issue of using too much water and have to re-apply – Ouch. Hence a warning letter received shortly after.

My Dairy Effluent Storage Calculator is an interesting beast. I have put my faith with the experts on this one along with the Actual Area Dairy Effluent Calculator. Yes, the sprinklers and irrigators are all calibrated and hopefully not spreading too heavily. No, it’s not ending up in the river!

Heck, you should see my “Whole Farm Soil Test Fert Map & Plan”. A weighty document I have invested in to ensure no excess Fertiliser usage and my nitrogen application is under 190units/ha. That’s taken some precision calculating so not to be penalised.

My Farm report now says my GHG CH<sub>4</sub> (methane emissions) is 8495 and my GHG N<sub>2</sub>O (Nitrous Oxide Emissions) is 2098. Umm, the graph also shows 25KG/Ha/Yr Nitrogen Loss and 27% Nitrogen Conversion Efficient. My farm is in the middle of the graph so I must be ok, who knows.

What about my Farm Environmental Plan? That’s on the to-do list. I’ve just found my Sustainable Dairying Water Accord. Again, I’m in the middle of the graph so I must be ok?

QCONZ emailed and we booked in for the annual shed inspection. Mostly good but a few small issues that needed addressing. The incorrect soap at the hand basin was an easy fix however on the return visit I did have a little too much “manure” on the yard. It may have been because we have been trying to save water. Anyway, we survived that curve-ball!

What’s next, well the milking machine test. Another hold your breath invoice turning up!, but we managed that one as well.

All this methane gas has caused global warming and now my milk is too warm. Our farm was outside its “Milk Collection Temperature Specifications”. It sounded like an expensive fix (and it was). Concrete pads, ice banks, wiring, plumbing, the works but hey – I’ve got cold milk now.

Another invoice, My Overseer annual subscription expired. I suppose I have to pay it to keep compliant.

Thinking I’m on top of it all I received a phone call from the Dairy Company. “Ah Gavin, I’m just informing you that we are changing our tanker configuration and unfortunately you will have to restructure your entranceway so the tanker can pick up your milk”. Well at least I had a year to do it and a few more dollars from the same dairy company to spend on it. That invoice is still coming.

A lovely lady rang me recently and said, “Gavin- do you think farming clients are up to speed with ensuring their workers houses are compliant?” I said – “I doubt it” knowing full well most aren’t! She responded – “I think they need help!” Well, you may as well start with my farm houses. Taking the appropriate step, I engaged her and received a very thorough report which suggested why I am legally obliged to get these houses to standard. – I said thank-you but yet more money to allocate.

Due to my excellent sharemilker, I do own jackets from our Dairy Company with the words “Grade Free” embroidered. BUT speaking of sharemilkers I’ve just met with mine to discuss animal welfare compliance – That’s another article.

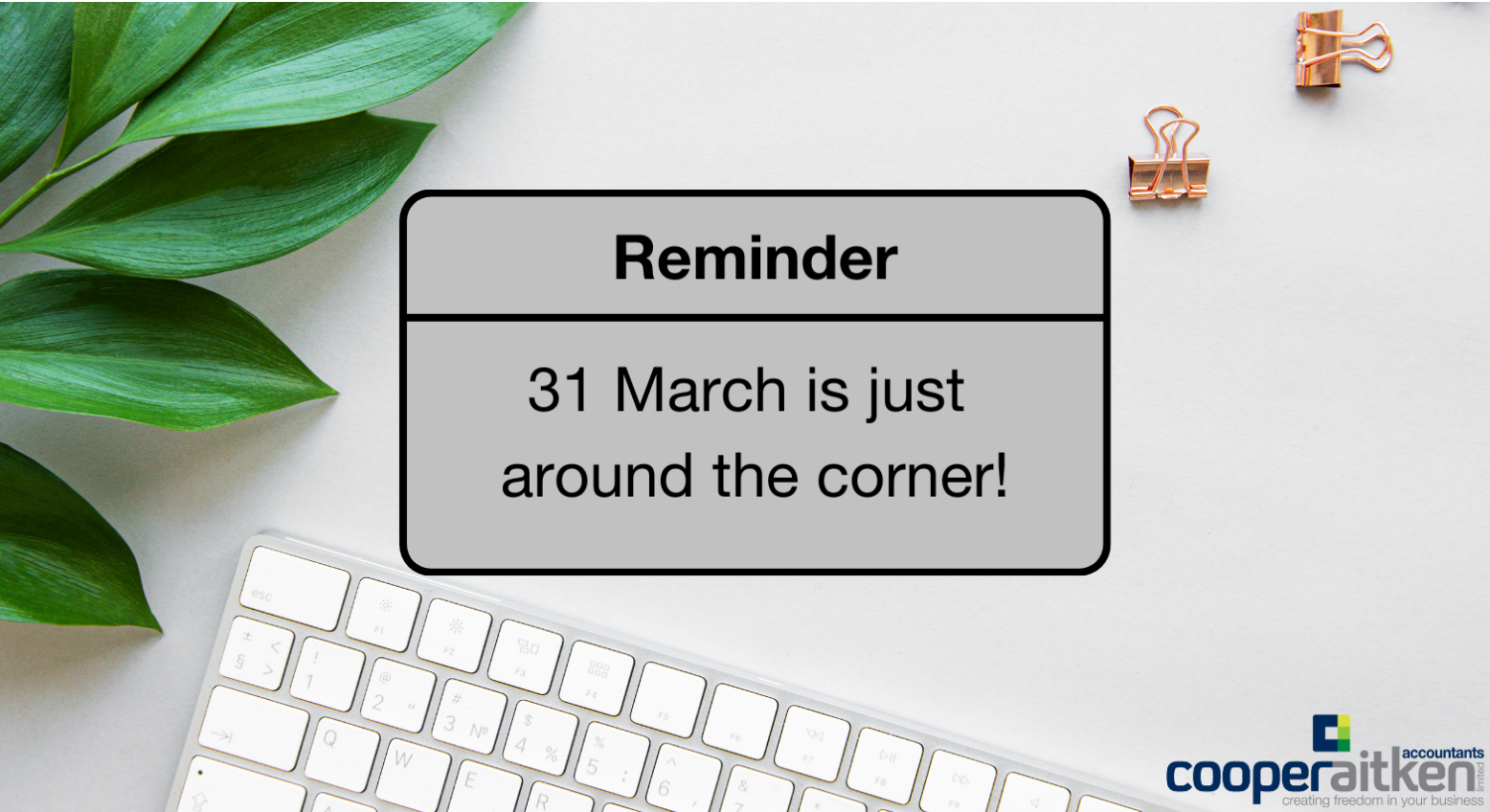
We as Accountants are compliance driven. Compliance is our life. The reason I wrote about this is to encourage our clients to talk to their accountants about it, see how we can help with revenue versus capital expenditure, depreciation rates, tax deductions and low interest loans. Furthermore, we want to make you aware of your legal obligations. We are anticipating helping our farmers more and more in this space as time goes on.

*For the reasons above the Groundswell movement has gathered traction. Farmers are generally compliant but the volumes of policies are excessive and continue to increase and change.*

*I also hope our non-farming readers understand more about what the HOOHAA is all about.*







## Reminder

31 March is just  
around the corner!

coopera**it**ken  
accountants  
creating freedom in your business

**31 March balance date is upon us and that means the end of financial year for many of you.**

A reminder to do your stock take (based on cost price and exclusive of GST).

### Farmers

Don't forget to tally up your livestock numbers. It's important to get these figures accurate as this does impact the amount of tax you pay!

### Commercial businesses

A reminder to also write off any bad debts from your debtors ledger so you can claim them as a deduction in the 2022 year.

Our end of year questionnaires will be heading out very soon so you can expect to see them in your inbox (or those on post, your mailbox) very soon.

Click the link below to find our questionnaires;

**BUSINESS  
QUESTIONNAIRE**

**FARMERS  
QUESTIONNAIRE**

**INVESTORS  
QUESTIONNAIRE**

## New Financial Year



As the new financial year rolls around, it's a great time do some future planning for your business. Have you got a cashflow forecast to understand your cash movement?

- Do you know what your cash movement was last year?
- Have you got a plan on how this year is going to go? Have you set targets and goals?
- Or are you going to do the same thing you did last year and hope for a different outcome?
- 

Please get in touch if you want to discuss a Cashflow Forecast or Planning session. We'll work alongside you to create time, mind and financial freedoms in your business.

## ACC CPX Renewals

### Do you pay ACC CoverPlus Extra (CPX) Levies?

It's nearly that time of year again. ACC will start to issue CoverPlus Extra invoices from early April through to May 2022.

You will see a letter or email from us very soon (if you haven't already) which details your current CPX cover. Please review this letter carefully, and get in touch with us before **31 March 2022 to allow a clean transition into the new levy year.**



## Using the correct tax code

We have noticed an increase in tax payments to Inland Revenue having the incorrect year or tax type being used.

With 2021 Terminal Tax notices being sent out and due 7th April 2022, this is a timely reminder of how to pay the Inland Revenue Department.

Please follow the instructions on the tax notice that you receive from us. The tax notices will state the tax year and tax code to use for your Terminal Tax or Provisional Tax payments.

Generally, our tax team have managed to move most of these misdirected payments to the correct year with no issues. However this isn't always the case. Often the misdirected payment will be refunded from Inland Revenue as there is no tax owing in the year or tax type it was paid to. If this happens, the payment is often deemed late when paid again to the correct area, and correspondence to Inland Revenue is needed to ask for remission on penalties and interest due.

### What tax code should I be using?

When paying Terminal Tax or Provisional Tax, you should be using the tax code INC (Income Tax and Provisional Tax).

However if you are paying both GST and Provisional Tax due on the same day you use the GAP code, but only if you have both payments due on the same day.

### GAP Tax Code

Please do not use the tax code GAP (GST and Provisional Tax) unless you are paying both GST and the provisional tax amounts together. A GAP payment goes straight to the GST account first and then a transfer is done through to provisional tax secondly. This saves paying the IR twice eg. GST and INC codes.

If there is no GST owing, the Inland Revenue system doesn't know what to do with the payment so puts it to their suspense account.

### What tax year should I be using?

Please always refer to the tax notice or email you have been sent for the year or period end to use.

### Setting up payment

We recommend that upon receiving your tax notice from us, that you pre-load a payment (via internet banking) all set to go out on the tax due date. This will ensure it doesn't get missed or forgotten, and avoids any penalties.

If in doubt, please call our tax team 07 889 7153 or the staff member whom notified you of the tax to pay.

## Proud to Support

### NEW ZEALAND DAIRY INDUSTRY AWARDS - WAIKATO

The New Zealand Dairy Industry Awards (Waikato Region) has just wrapped up for another year. A big congratulations to all the winners and place getters!! Awesome to see young farmers rewarded for all their hard work and efforts. Congratulations to you all!

### Dairy Trainee of the Year;

Winner - Edward Roskam  
Runner-up - Annie Gill  
Third Place getter - Hannah Jackson

### Waikato Share Farmer on the Year:

Winner - Brian Basi and Rachel Bunnik  
Runner-up - Aleisha Broomfield  
Third Place getter - Stephanie Kay

### Waikato Dairy Manager of the Year;

Winner - Andrew Macky  
Runner-up - Shaun Muller  
Third Place getter - Sam Guise

