

Langlands & Co. Ltd

CHARTERED ACCOUNTANTS

FINANCIAL STATEMENTS CHECKLIST - FARMING FOR THE INCOME YEAR ENDED 31 MARCH 2007

FOR: _____ BALANCE DATE: / /2007

The following information will be required to complete your financial statements. Where applicable please attach separate schedules, place a tick in the appropriate box or write the details in the space provided. Please attach specific documents where requested.

1. BANK STATEMENTS - For all business accounts for the complete year, including loans and savings accounts. Include the statement for the month after balance date.

2. MANUAL CASH BOOKS AND GST BOOKS - These should be added and preferably reconciled with the bank statements.
COMPUTERISED CASH BOOKS - Please provide a diskette and/or printout of the year's transactions plus bank reconciliation.

3. CHEQUE BUTTS/DEPOSIT BOOKS/DIRECT CREDIT SCHEDULES - Ensure full details of each transaction are shown on these source records.

4. STOCK FIRM AND DAIRY COMPANY STATEMENTS - Attach all invoices and credit notes. Also attach the statement for the month following balance date.

5. STATEMENTS, INVOICES AND CREDIT NOTES FROM SUPPLIERS - Your provision of these will assist with cheque butt analysis.

6. ACCOUNTS RECEIVABLE (DEBTORS) - List all amounts owing to you at balance date (including GST) and indicate which of these amounts are uncollectible.

7. ACCOUNTS PAYABLE (CREDITORS) - List all amounts owing by you at balance date (including GST) and indicate what each item is for. This list should include any unrepresented cheques.

8. LIVESTOCK ON HAND - Complete the attached schedule (on page F5) for all livestock on hand at balance date.

9. DEVELOPMENT EXPENDITURE - Please advise full details of any substantial farm development not described in the following list : clearing land, weed destruction, flood repairs, shelter trees and fencing.

10. CASH SALES AND CHEQUES NOT BANKED - Supply details of sales not banked in your business bank account.

11. OUT OF POCKET EXPENSES - Supply details of business expenses which have been paid privately (eg parking meters, postage, petrol, stationery, meals provided and hardware).

12. INVESTMENTS - If you have made or continue to hold investments during the year supply full details including income received.

13. MORTGAGES AND LOANS - If any loans or mortgages have been raised or repaid during the year provide full details including all agreements and bank statements, especially solicitors' statements.

14. FIXED ASSETS - If any fixed assets have been purchased or sold during the year provide full details including date of purchase or sale, and whether new or secondhand. If purchased through hire purchase or new loans, provide a copy of the hire purchase or loan agreement.

15. SOLICITORS' STATEMENTS - Attach copies of all accounts and correspondence concerning your business.

16. MOTOR VEHICLES - (Used partly for private purposes). Complete the following from information contained in your log book:

km reading end of year _____ Total kms travelled _____
km reading start of year _____ Total business travel _____

NOTE : This information is not required for vehicles owned by a company.

17. ENTERTAINMENT - 50% of certain entertainment expenses are deductible for income tax and GST purposes. Certain exemptions apply. Please provide a detailed breakdown and analysis of entertainment expenses for the year, (ie accommodation, meals, travel, amounts paid for meals per day and to whom), so we may accurately prepare the allowable deduction and GST adjustment (if any).

18. DRAWINGS - Indicate clearly on cheque butts or cash book all expenditure that is of a purely private nature, and all amounts drawn from the business account for private purposes.

19. GST RETURNS - Provide copies of all returns filed during the year plus the first return filed in the next financial year.

20. WAGES AND PAYE SUMMARY - Provide a summary of wages paid and PAYE paid to the Inland Revenue. This information can come directly from your wage records.

21. USE OF PRIVATE DWELLING FOR BUSINESS - The IRD currently accepts 25% of the outgoings on your home as business related (ie repairs, insurance, power, rates etc). Please supply details for any of these expenses that were not paid through the farm account.

22. ADDITIONAL COPIES OF FINANCIAL STATEMENTS - (eg copy to Bank) Please state the number of copies required.

TERMS OF ENGAGEMENT

We now summarise our involvement with your financial statements. As agreed, we will compile these from information provided by you, in accordance with the Compilation Engagement Standard issued by the Institute of Chartered Accountants of New Zealand. We will provide a disclaimer to be attached to the financial statements.

Our compilation services will not result in the expression of an audit or review opinion or provide any other form of assurance on the financial statements.

It is understood and agreed that:

- a) you will provide us with accurate and complete information necessary to compile such statements;
- b) the responsibility for the accuracy and completeness of the assertions in the financial statements remains with you;
- c) each page of the financial statements will be conspicuously marked as being unaudited;
- d) you will attach our disclaimer when distributing the financial statements to third parties;
- e) the financial statements will be prepared in accordance with acceptable accounting principles, which includes Statements of Standard Accounting Practice;
- f) you accept responsibility for all records and information supplied to us;
- g) you accept responsibility for any failure to supply us with relevant records and information.

It is not intended that this engagement be relied upon to prevent or detect fraud and error and we wish to emphasise that responsibility for such prevention and detection must remain with your management.

Our engagement by you includes the authority to act as your tax agent. This will involve our office obtaining any information directly from the Inland Revenue necessary to undertake and complete your affairs.

The arrangements outlined herein will continue in effect from year to year unless we agree to change them.

If you have any questions about our terms of engagement, please contact us.

If the services outlined are in accordance with your requirements and if the above terms are acceptable to you, please sign below in the space provided and return it to us.

SIGNED: _____

DATE: / /

LIVESTOCK ON HAND AT BALANCE DATE

CLIENT:

NUMBERS	This Year	Last Year
<u>SHEEP</u>		
Lambs	_____	_____
Wether Hoggets	_____	_____
Ewe Hoggets	_____	_____
Two-Tooth Ewes	_____	_____
Breeding Ewes	_____	_____
Mixed Age Ewes	_____	_____
Two Tooth Wethers	_____	_____
Wethers	_____	_____
Rams	_____	_____
TOTAL SHEEP	_____	_____

SHEEP RECONCILIATION

Opening Sheep Numbers	_____
Add: Sheep Purchased	_____
Lambs Bred	_____
SUBTOTAL (A)	_____
Less: Sheep Sold	_____
Known Deaths	_____
Sheep Killed	_____
Closing Sheep Nos	_____
SUBTOTAL (B)	_____
Unaccounted for/missing (A-B)	_____

NUMBERS	This Year	Last Year
<u>DEER (RED/WAPITI/FALLOW/SIKA)</u>		
Rising 1yr Hinds	_____	_____
Rising 1yr Stags	_____	_____
Rising 2yr Hinds	_____	_____
Rising 2yr Stags	_____	_____
Mixed Age Hinds	_____	_____
Breeding Stags	_____	_____
Total Deer	_____	_____

DEER RECONCILIATION

Opening Deer Numbers	_____
Add: Deer Purchased	_____
Fawns Bred	_____
SUBTOTAL (A)	_____
Less: Deer Sold	_____
Known Deaths	_____
Deer Killed	_____
Closing Deer Nos	_____
SUBTOTAL (B)	_____
Unaccounted for/missing (A-B)	_____

BALANCE DATE:

NUMBERS	This Year	Last Year
<u>DAIRY/BEEF CATTLE (FREISIAN/JERSEY/BEEF)</u>		
Rising 1yr Heifers	_____	_____
Rising 1yr Steers	_____	_____
Rising 1yr Bulls	_____	_____
Rising 2yr Heifers	_____	_____
Rising 2yr Steers	_____	_____
Rising 2yr Bulls	_____	_____
Mixed Age Cows	_____	_____
Mixed Age Steers	_____	_____
Breeding Bulls	_____	_____
TOTAL CATTLE	_____	_____

CATTLE RECONCILIATION

Opening Cattle Numbers	_____
Add: Cattle Purchased	_____
Calves Bred	_____
SUBTOTAL (A)	_____
Less: Cattle Sold	_____
Known Deaths	_____
Cattle Killed	_____
Closing Cattle Nos	_____
SUBTOTAL (B)	_____
Unaccounted for/missing (A-B)	_____

NUMBERS	This Year	Last Year
<u>PIGS/GOATS (MOHAIR/CASHMERE/MILKING)</u>		
Rising 1yr Females	_____	_____
Rising 1yr Males	_____	_____
Rising 2yr Females	_____	_____
Rising 2yr Males	_____	_____
Mixed Age Females	_____	_____
Breeding Males	_____	_____
Total Pigs/Goats	_____	_____

PIG/GOAT RECONCILIATION

Opening Pig/Goat Numbers	_____
Add: Animals Purchased	_____
Animals Bred	_____
SUBTOTAL (A)	_____
Less: Animals Sold	_____
Known Deaths	_____
Animals Killed	_____
Closing Animal Nos	_____
SUBTOTAL (B)	_____
Unaccounted for/missing (A-B)	_____

- NOTE: 1) As a MINIMUM farmers should complete livestock on hand numbers.
 2) Completion of the reconciliations is recommended (but is optional).
 3) Please specify the breed of livestock where applicable.
 4) For weaners/growing pigs please specify age in weeks at balance date.