

NEWSLETTER

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chartered accountants



As 2025 draws to a close, we'd like to thank you for your continued support this year. Our team is taking a well-earned break from midday Tuesday 23rd December 2025 and will return to the office on 8am Monday 12th January 2026.

But before you switch on the out-of-office, take a moment to get your business ready for the holiday season.

In this issue, we've included tips to help you manage the summer cash

flow crunch and guide on what you can (and can't) claim back for festive spending.

Wishing you a safe, sunny, and successful holiday season!

HOW TO SURVIVE THE CHRISTMAS CASH FLOW CRUNCH

While retailers race through their busiest time of year, not every business benefits from the Christmas rush. Many service-based, wholesale, or manufacturing businesses might even face a sharp decline in orders just when holiday pay, bonuses, and annual shutdowns see expenses rise.

1. Forecast to February

Projecting your income and expenses well into the new year

helps you spot potential shortfalls and take action before they become problems.

IN THIS ISSUE:

'Tis the season for giving...but what can you claim back?

Manage the risks you can't see with our workplace psychosocial checklist

Sole traders: Who's in your business village?

Think you're ready to grow? Ask yourself these four questions first.

2. **Invoice early, follow up now**
Send invoices before your shutdown period and chase outstanding debts while clients are still around.
3. **Prioritise essential spending**
Identify what expenses are necessary and what can wait until revenue picks back up.
4. **Prepare for January's tax obligations**
The 15 January due dates for PAYE, GST, and provisional tax can feel like a Grinchy surprise. Set aside funds now to avoid starting the new year under pressure.

Worried about the summer squeeze

If this season feels tight, get in touch. Our financial advisors can help you plan ahead, manage your cash flow, and explore IRD instalment options to lighten the load.



'TIS THE SEASON FOR GIVING... BUT WHAT CAN YOU CLAIM BACK

Gifts, bonuses, parties, and more: here's a brief breakdown of what you can and can't claim this festive season.

Employee gifts

Gifts that are not subject to the entertainment tax rules (vouchers, hampers, flowers) are fully deductible and exempt from Fringe Benefit Tax (FBT) if they cost less than \$300 per employee per quarter, and the total for all staff stays below \$22,500 a year.

However, gifts that do fall under the entertainment tax rules, like food hampers or wine, or taking your team to a show or event, are 50% deductible, and not liable for FBT.

Cash bonuses

Bonuses are classed as income, so PAYE and other payroll taxes apply. These "lump sum" payments are taxed at a flat rate based on your employee's income bracket.

Client gifts

Food, drink, or entertainment gifts are 50% deductible. Other gifts (flowers, movie tickets, a book) are 100% deductible



Workplace events

Christmas parties, client dinners, or team drinks are 50% deductible, while morning teas, office lunches, and charitable donations are fully deductible.

Remember: GST adjustments apply for entertainment expenses that are 50% deductible.

Not sure where your Christmas spending fits? **Contact us!**

MANAGE THE RISKS YOU CAN'T SEE WITH OUR WORKPLACE PSYCHOSOCIAL CHECKLIST

Workplace safety is about more than hard hats and safety rails. Under New Zealand's Health and Safety at Work Act 2015, employers must manage psychosocial risks at work – not just physical ones.

The trouble is, these risks can be harder to spot than physical dangers. Here's a simple checklist to bring hidden hazards to light:

☐ **Clarity:** Would a new hire understand what's expected of them in their first week? If not, review job descriptions and inductions to make sure roles are clear from day one.

☐ **Workload check:** Are schedules and deadlines realistic? Look out for red flags, like staff regularly working late or frequently swapping schedules.

☐ **Feedback:** How do employees raise concerns around company culture, bullying, or lack of support? From one-on-one check-ins to team discussions to anonymous surveys, multiple channels help issues surface early.



☐ **Recognition:** Do you let your people know their efforts matter? Celebrating milestones and acknowledging good work in real time builds morale and reduces the risk of burnout.

Supporting psychosocial health is a big responsibility. Not sure where to start?

Get in touch, and we'll connect you with trusted resources and professionals who can help.

SOLE TRADERS: WHO'S IN YOUR BUSINESS VILLAGE?

Just because you're solo doesn't mean you have to go it alone. Every successful business has a village behind it. Is it time to build yours?



- **Mentors and peers:** Draw on the experience of others who've faced similar challenges to the ones you're tackling now. Business Mentors NZ, for instance, has supported more than 80,000 business owners.
- **Business support groups:** Local meetups help you swap ideas, get advice, and find encouragement.
- **Professional advisors:** An accountant, lawyer, or HR consultant can guide smart decisions and highlight risks you might miss.
- **Regional Business Partner Network, BNI (Business Network International), and your local Chamber of Commerce** are a great start.
- **Trusted contractors:** Outsourcing tasks to the right professionals helps you stay focused on your core business.

As your accountant, we're already part of your village. Get in touch if you'd like help with finances, record-keeping, or tax planning.

THINK YOU'RE READY TO GROW? ASK YOURSELF THESE 4 QUESTIONS FIRST.

Growth is exciting, and with the right planning, it can be a turning point for your business.

But whether you're taking on more clients, expanding your services, or launching into a new market, it's important to first make sure your financial foundations are solid enough to support what's next.

Here are four key questions to ask yourself before scaling up:

1. **Do you have enough cash flow for the next stage?**
Growth often means spending before you earn. You might need to stock up on supplies, hire more staff, or invest in new technology.

Do you have the working capital to manage that gap? If not, it could be time to explore funding options, stagger your expansion, or adjust your timeline.

2. **Are your systems and processes built to scale?**
Can your current invoicing, inventory, and reporting systems handle increased demand? Review your software, automate what you can, and build in capacity now so your systems won't buckle under the pressure of a larger operation.

3. **Is your pricing model sustainable as you grow?**

Bigger business brings more overheads and greater complexity. Are your current margins wide enough to cover these costs? Now's the time to adjust your pricing so it reflects the extra time, effort, and resources needed to deliver at scale without eating into your profits.

4. **Are there any tax or compliance implications?**

Business growth can push you into new tax brackets, GST thresholds, payroll obligations or even overseas tax obligations if you are dealing with overseas customers or doing business overseas. Make sure you stay compliant. The last thing you want is a surprise tax bill just as your momentum is building.

Talk to your accountant about growing your business

Ready to grow, but unsure where to start? Let's chat about your financial readiness and help you plan for sustainable success.

TAX CALENDAR - DECEMBER 2025 AND JANUARY 2026

DATE	CATEGORY	DESCRIPTION
22 December	RWT	Return and payment due for withholding tax deductions from dividends and deductions of \$500 or more from interest paid during November.
22 December	PAYE	Small and large employers' payment due. File employment information within two working days after payday.
22 December	NRWT / Approved Issuer Levy	Payment and return due.
15 January	Provisional Tax	Instalment due.
15 January	GST	Payment and return for November.
15 January	PAYE	Large employers' payment due. File employment information within two working days after payday.
20 January	RWT	Return and payment due for withholding tax deductions from dividends and deductions of \$500 or more from interest paid during December.
20 January	NRWT / Approved Issuer Levy	Payment and return due.
20 January	PAYE	Small and large employers' payment due. File employment information within two working days after payday.
20 January	FBT	Return and payment due for the December 2025 quarter.
28 January	GST	Return and payment for December.

Note: the provisional tax due dates apply to those clients who have a March balance date. Different dates will apply for those clients who have different balance dates.



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