ACCELERATE

OUR NEWSLETTER FOR GROWING BUSINESSES



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Christmas might still feel a while away, but now is a good time to start preparing your business for the silly season.

In this issue, we look at the Christmas costs worth planning for now, from client gifts and staff bonuses to end-of-year parties. And with October marking the halfway point of the financial year for many businesses, it's also a useful time to check in on your numbers and overall business health.

We also look ahead to changes to New Zealand's health and safety laws, and ask whether AI has crept into your business faster than your policies have kept up with.

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Start planning your Christmas spending now

Holiday spending can feel a little murky when you're running a business, particularly when it comes to gifts, bonuses and entertainment. What's deductible? What attracts FBT? And what counts as income? Here's how some of the most common festive expenses are treated.

Client gifts

Food and drink (think wine, chocolates or a Christmas hamper) are generally 50% deductible, while other gifts, such as flowers or branded merchandise, may be fully deductible. If you opt for a gift card or voucher, the tax treatment still depends on what it can be used for.

Bonuses and staff gifts

Cash bonuses come with PAYE obligations, whereas with gift cards and vouchers you can choose to treat them under the FBT rules or as income subject to PAYE. If you choose the FBT option and stay within Inland Revenue's limits, you may not have any tax to pay.

The Christmas party

It can bring your staff a lot of cheer; just remember the Christmas party is entertainment, and entertainment costs are only 50% deductible. So whether you celebrate onsite, head out to a venue, or do something unique, keep the budget realistic.

Don't get tangled in the tinsel! Run your plans past us now, before the silly season is in full swing.



New Zealand's health & safety law is getting simpler

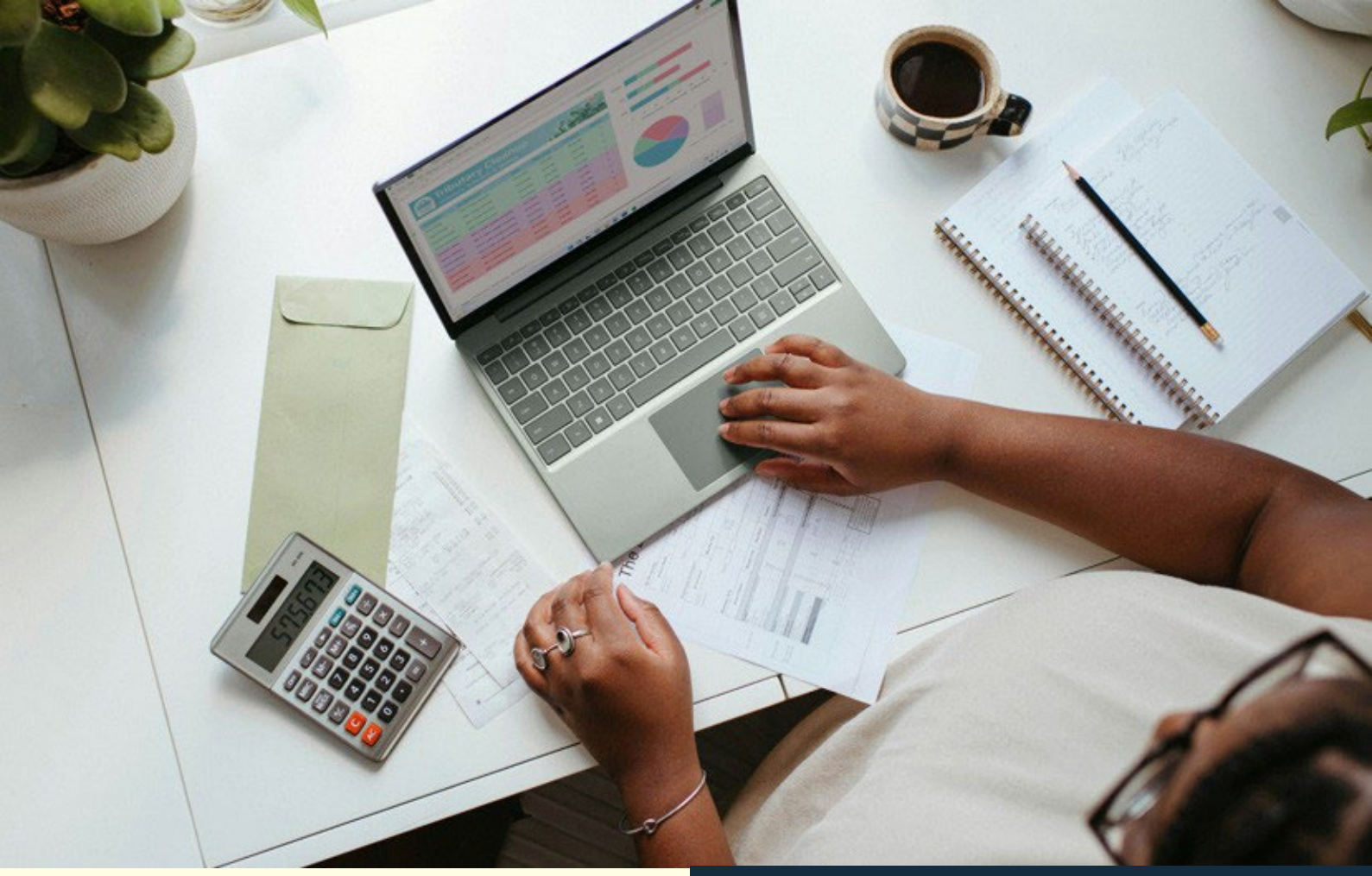
If managing health and safety has ever felt like a lot of paperwork for relatively minor risks, you'll want to know about the upcoming changes. **The Health and Safety at Work Act has been amended** to put greater emphasis on workplace risks that could cause serious harm, with the new rules taking effect from **1 April 2027.**

Fewer than 20 workers? Your risk-management duties will centre on critical risks.

20 or more workers? You'll still need to manage all risks, but critical ones take priority.

Codes of practice. Following an approved code relevant to your industry can offer more certainty that you are meeting your legal duties.

Keep following the current rules and look out for further WorkSafe guidance.



Halfway there: How are your finances tracking?

If your financial year ends on 31 March, you're halfway through: six months of data to review, and six months to address any issues before year-end.

- **Review your numbers**

How does actual revenue compare with your April budget? If it's up, look at what is driving that growth. If it's down, work out why.

- **Check your cash flow**

Can you cover wages, supplier bills, tax and overheads? A healthy cash position creates room to invest, while a tight forecast may require a plan to bridge the gap. *The next article looks at what to do when cash flow problems are more than temporary.*

- **Pay your taxes on time**

Make sure GST, PAYE and provisional tax are up to date.

- **Look at the bigger picture**

Check that your team is coping with their workloads, your customers are happy, and your priorities still make sense.

- **Speak to your accountant**

We'll help you interpret the numbers and use them to shape the second half of the year.

Operating at a loss? Here's what you need to know

Operating at a loss isn't always a sign that something's wrong. It can happen when you're finding your feet, investing in growth or changing direction. But if your business is consistently spending more than it earns, it's time to find out why.

What's behind the loss?

Cash flow. If payments are consistently coming in late, it may be time to tighten payment terms and chase overdue invoices.

Weak sales or pricing. If revenue is too low, look at whether sales have slowed, prices are too low, or you need to attract more customers.

Rising costs. If expenses are eating into your profits, negotiate better supplier rates, review staffing, or consider cheaper premises.

The tax upside

Losses can often be carried forward against future taxable income, although rules apply.

If your business is operating at a loss, book an appointment. We'll help you figure out what's driving the loss and look at options for getting back on track.

Has AI crept into your business?

AI adoption doesn't always happen through a carefully planned rollout. It can start with someone using ChatGPT to polish an email, Copilot to summarise a document, or an AI transcription tool to take meeting notes. Before long, AI will be part of how your business operates, whether you've formally decided how it should be used or not.

But AI is uncharted territory, with risks ranging from data leaks to privacy issues and inaccurate information. Putting a few clear rules in place can give your team room to experiment while keeping those risks in check.

That's where an AI health check comes in: it can help you see how AI is already being used across your business and where clearer guardrails are needed.

Find out what your team is using

Audit which AI tools are being used, what for, and by whom. You may be surprised to find AI in parts of the business you hadn't imagined.

AI use outside a business's formal oversight is sometimes called 'shadow AI'. It doesn't mean employees are breaking the rules; often, there simply aren't any rules in place yet. But entering business or client information into tools without understanding how that information is stored or used can be risky.

Put policies into practice

While AI policies will depend heavily on your business, it's a good idea to give staff clear guidance about what can and can't be used, and to check the privacy and security settings of the tools you approve.



Sensitive information, customer details, employee information, financial records and other confidential material shouldn't simply be pasted into any AI tool.

Build AI boundaries

AI tools are increasingly connected to email, company files, and internal chat channels. Review which tools have access to your systems, turn on two-step verification to secure your accounts, and opt for paid business-grade versions that can keep your information safe and confidential.

Keep a human in the loop

AI can save time, but it can also get things wrong, misunderstand the context, and sound…well, robotic. Important decisions and customer-facing work still need human review.

Be upfront about AI

You don't need to announce every time AI helps tidy an email or brainstorm a headline, but there are times when disclosure matters. If a chatbot is talking to customers or an AI-generated person appears in your ads, say so. A simple note explaining where AI was used can help avoid confusion and protect trust.

Tax Calendar - October 2026

DATE	CATEGORY	DESCRIPTION
5 October	PAYE	Large employers' payment due. File employment information within two working days after payday.
20 October	RWT	RWT return and payment due for deductions from dividends and deductions of $500 or more from interest paid during September.
20 October	NRWT / Approved Issuer Levy	Payment and return due.
20 October	FBT	Return due for the September 2026 quarter
20 October	PAYE	Small and large employers' payment due. File employment information within two working days after payday.
28 October	GST	Payment and return for September.

Note: any provisional tax due dates noted apply to those clients who pay provisional tax on the standard uplift or estimation basis and have a March balance date. No provisional tax for these taxpayers is due in October. Different dates will apply for those clients who have different balance dates, or use the ratio or AIM method. Contact us if you would like to check your provisional tax payment obligations.

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