



MERRY CHRISTMAS!

As 2025 draws to a close, we'd like to take a moment to thank you for your continued support throughout the year. We wish you all a very Merry Christmas and offer our best wishes for a prosperous New Year. We hope you enjoy a safe and sunny holiday season — with rain in the evenings for our farmers.

CHRISTMAS COW TREE

If you missed our Facebook post earlier this month, we have the most magnificent Christmas Cow Tree in the office this year.

Tracey's creative skills are outstanding, and our Christmas Cow Tree wonderfully reflects our passion for farming here at COS.CA.

TEAM NEWS, NEW BANK ACCOUNT

We will be saying a temporary farewell to Rochelle Schwenke on the 12th of December this year, as she and her husband, Herman, will be welcoming baby number four very soon. We wish them all the very best of luck as the madness of life with four young children awaits. Rochelle will be working remotely during the second half of her 12 months of maternity leave, so expect more emails at unusual times of the day and night as she juggles mum-life and work — she is a superstar.

This year, we farewelled Fraser from our team as he left to pursue a career in rural banking. We will miss him but wish him well in his new role. Jessica Gardner, who has been part of the COS.CA team for three years, has taken over a large portion of Fraser's workload, and we will be looking to recruit a new team member in the new year. If you know someone with a passion for farming and figures, please let them know about our exciting opportunity opening in the new year.

If you have received an invoice from us recently, you will have noticed that we have new bank account details. Please update your payee information to reflect the following payment details:

ASB Bank
12-3106-0025250-00



INVESTMENT BOOST

It is now six months since the announcement of the new Investment Boost, and we would like to remind you that, to qualify for this additional initial 20% deduction, the asset must be new (or new to New Zealand), not residential property or land, and purchased on or after 23 May 2025. There is currently no end date for this deduction, so there is no need for panic purchasing. Remember, it is simply an accelerated depreciation claim, which may be recovered in the future.

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

- Gifts, bonuses, parties and more — here's a brief guide to what you can and can't claim this festive season.
- Employee gifts
- Gifts that do not fall under the entertainment tax rules — such as vouchers, hampers or flowers — are fully deductible and exempt from Fringe Benefit Tax (FBT), provided they cost less than \$300 per employee per quarter and the total for all staff remains below \$22,500 per year.
- Gifts that are covered by the entertainment tax rules, such as food hampers, wine, or taking your team to a show or event, are 50% deductible and not liable for FBT.
- Cash bonuses
- Bonuses are treated as income, so PAYE and other payroll taxes apply. These "lump sum" payments are taxed at a flat rate based on the employee's income bracket.
- Client gifts
- Food, drink or entertainment gifts are 50% deductible. Other gifts — such as flowers, movie tickets or books — are fully deductible.
- Workplace events
- Christmas parties, client dinners and team drinks are 50% deductible. Morning teas, office lunches and charitable donations are fully deductible.
- Remember: GST adjustments apply to entertainment expenses that are only 50% deductible.

THANK YOU AND SEE YOU IN 2026!

Charmaine and Cheriden know you will all join us in saying a big thank you to our wonderful team as they head off for a well-deserved break to recharge their batteries. Our office will close at 3.00 pm on Tuesday, 23 December 2025, and reopen at 8.00 am on Wednesday, 14 January 2026.



FONTERRA PAYOUT

The recent payout reduction announcement for the 2025–26 season reminds us all that volatility is the norm for any dairy farmer. Revise your cashflows early to understand the impact this will have on your farm business. We will be updating all 2026 Estimates of Taxable Income later in the financial year as usual.

In 2026, the capital distribution from Fonterra will be paid to farmers who hold Fonterra shares. This will be a substantial injection of capital into your business, so plan the best use of these funds carefully.

We were sad to hear of Mike Borrie's upcoming departure from his role as our local Farm Source Regional Manager. We would like to thank Mike for all his help over many years and wish him well in his new role with DairyNZ.