



# Management Report - July-December 2022

Innovative Waste Kaikoura Ltd  
For the 6 months ended 31 December 2022

Prepared by WK Advisors and Accountants Limited

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## Directory

### Innovative Waste Kaikoura Ltd For the 6 months ended 31 December 2022

**Date of Incorporation**

30 June 2000

**Company Number**

1045695

**Registered Office**

82 Scarborough Street,  
Kaikoura 7300

**Company Status**

Registered Company

**Issued Capital**

100 Shares

**Shareholders**

Kaikoura Enhancement Trust - 100 shares

**Business Location**

82 Scarborough Street  
Kaikoura

**Nature of Business**

Operation of Kaikoura Recovery Centre & Landfill.  
Contracted maintenance services for Council's Three waters assets.

**IRD Number**

76-884-188

**GST Status**

Payments Basis, Two Monthly Returns, Coinciding with Balance Date

**Chartered Accountants**

WK Advisors and Accountants Limited  
P O Box 349  
Blenheim 7240  
Contact - Neil Sinclair

**Auditors**

Audit New Zealand on behalf of Auditor-General



**Barrister and Solicitors**

Duncan Cotterill  
148 Victoria Street  
Christchurch

**Bankers**

Bank of New Zealand  
Private Bag 39806  
Wellington Mail Centre  
Lower Hutt 5045

# Statement of Profit or Loss

## Innovative Waste Kaikoura Ltd For the 6 months ended 31 December 2022

	NOTES	JUL-DEC 2022	JAN-JUN 2022	JUL-DEC 2021
<b>Revenue</b>				
Revenue		1,108,030	1,353,826	989,739
<b>Total Revenue</b>		<b>1,108,030</b>	<b>1,353,826</b>	<b>989,739</b>
<b>Cost of Sales</b>				
Cost of Sales		951,780	1,002,222	797,269
<b>Total Cost of Sales</b>		<b>951,780</b>	<b>1,002,222</b>	<b>797,269</b>
<b>Gross Profit</b>		<b>156,250</b>	<b>351,604</b>	<b>192,470</b>
<b>Gross Profit %</b>		<b>14</b>	<b>26</b>	<b>19</b>
<b>Other Income</b>				
Wage Subsidy		-	-	31,779
<b>Total Other Income</b>		<b>-</b>	<b>-</b>	<b>31,779</b>
<b>Expenses</b>				
Operating Expenses		172,663	218,723	232,573
Finance Costs		1,247	-	(48)
RB - Collection Costs		-	350	-
Carbon Credits		-	27,706	-
<b>Total Expenses</b>		<b>173,910</b>	<b>246,779</b>	<b>232,525</b>
<b>EBITDA</b>		<b>(17,659)</b>	<b>104,825</b>	<b>(8,276)</b>
<b>Depreciation and Amortization</b>				
Depreciation		64,639	80,506	76,307
<b>Total Depreciation and Amortization</b>		<b>64,639</b>	<b>80,506</b>	<b>76,307</b>
<b>EBIT</b>		<b>(82,298)</b>	<b>24,319</b>	<b>(84,583)</b>
<b>Interest</b>				
Interest - Term Loan		774	885	986
<b>Total Interest</b>		<b>774</b>	<b>885</b>	<b>986</b>
<b>Net Operating Profit (Loss) Before Distributions</b>		<b>(83,072)</b>	<b>23,434</b>	<b>(85,569)</b>
<b>Net Operating Profit (Loss) Before Tax</b>		<b>(83,072)</b>	<b>23,434</b>	<b>(85,569)</b>
<b>Income Tax</b>				
Income tax for the year		-	(28,598)	-
<b>Total Income Tax</b>		<b>-</b>	<b>(28,598)</b>	<b>-</b>
<b>Net Profit (Loss) for the Year</b>		<b>(83,072)</b>	<b>52,032</b>	<b>(85,569)</b>

*These financial statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Compilation Report.*

# Statement of Profit or Loss by Division

## Innovative Waste Kaikoura Ltd For the 6 months ended 31 December 2022

NOTES	3 WATERS	RESOURCE RECOVERY CENTRE	PUBLIC AMENITIES	ADMINISTRATION	RUBBISH BAGS	TOTAL
<b>Trading Income</b>						
Revenue	451,444	577,974	73,610	-	-	1,103,029
RB - Sales	-	-	-	-	10,564	10,564
<b>Total Trading Income</b>	<b>451,444</b>	<b>577,974</b>	<b>73,610</b>	<b>-</b>	<b>10,564</b>	<b>1,113,593</b>
<b>Cost of Sales</b>						
Cost of Sales	361,063	526,793	62,732	1,191	-	951,780
<b>Total Cost of Sales</b>	<b>361,063</b>	<b>526,793</b>	<b>62,732</b>	<b>1,191</b>	<b>-</b>	<b>951,780</b>
<b>Gross Profit</b>	<b>90,381</b>	<b>51,181</b>	<b>10,878</b>	<b>(1,191)</b>	<b>10,564</b>	<b>161,814</b>
<b>Other Income</b>						
Interest Income	-	-	-	89	-	89
<b>Total Other Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>89</b>	<b>-</b>	<b>89</b>
<b>Expenses</b>						
Operating Expenses	33,085	61,413	3,127	77,814	-	175,439
Finance Costs	-	774	-	1,097	-	1,871
Depreciation	24,084	18,160	457	24,815	-	67,515
Loan Fees	-	-	-	150	-	150
<b>Total Expenses</b>	<b>57,169</b>	<b>80,346</b>	<b>3,583</b>	<b>103,876</b>	<b>-</b>	<b>244,974</b>
<b>Net Profit (Loss) Before Taxation</b>	<b>33,213</b>	<b>(29,165)</b>	<b>7,295</b>	<b>(104,978)</b>	<b>10,564</b>	<b>(83,072)</b>
<b>Net Profit (Loss) for the Year</b>	<b>33,213</b>	<b>(29,165)</b>	<b>7,295</b>	<b>(104,978)</b>	<b>10,564</b>	<b>(83,072)</b>

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# Statement of Movement in Equity

## Innovative Waste Kaikoura Ltd For the 6 months ended 31 December 2022

	JUL-DEC 2022	JAN-JUN 2022
<b>Equity</b>		
Opening Balance	971,390	919,357
<b>Increases</b>		
Profit for the Period	(83,072)	52,032
<b>Total Increases</b>	<b>(83,072)</b>	<b>52,032</b>
<b>Total Equity</b>	<b>888,318</b>	<b>971,390</b>

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# Balance Sheet

## Innovative Waste Kaikoura Ltd As at 31 December 2022

	NOTES	31 DEC 2022	30 JUN 2022	31 DEC 2021
<b>Assets</b>				
<b>Current Assets</b>				
Bank Accounts		177,641	214,998	215,893
Cash Float		-	-	210
Trade and Other Receivables		150,213	194,504	70,038
Prepayments		-	13,817	30,904
Work in Progress		-	-	20,000
Income Tax		25,716	25,716	-
<b>Total Current Assets</b>		<b>353,570</b>	<b>449,036</b>	<b>337,045</b>
<b>Non-Current Assets</b>				
Fixed Assets as per Schedule		921,197	933,667	1,001,300
Deferred Tax Liability		7,392	7,392	-
<b>Total Non-Current Assets</b>		<b>928,589</b>	<b>941,059</b>	<b>1,001,300</b>
<b>Total Assets</b>		<b>1,282,159</b>	<b>1,390,095</b>	<b>1,338,345</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Trade and Other Payables		185,836	179,578	132,107
GST		18,799	38,173	14,224
Payroll		116,470	122,963	138,165
Income Tax		-	-	18,420
Suspense		-	-	509
BNZ - Credit Card		7,736	2,992	9,356
Prepayments		-	-	-
<b>Total Current Liabilities</b>		<b>328,841</b>	<b>343,705</b>	<b>312,781</b>
<b>Non-Current Liabilities</b>				
Loans		65,000	75,000	85,000
Deferred Tax Liability		-	-	21,206
<b>Total Non-Current Liabilities</b>		<b>65,000</b>	<b>75,000</b>	<b>106,206</b>
<b>Total Liabilities</b>		<b>393,841</b>	<b>418,705</b>	<b>418,988</b>
<b>Net Assets</b>		<b>888,318</b>	<b>971,390</b>	<b>919,357</b>
<b>Equity</b>				
Retained Earnings		888,218	971,290	919,257
Reserves		100	100	100
<b>Total Equity</b>		<b>888,318</b>	<b>971,390</b>	<b>919,357</b>

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**Signed by:**

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Director

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Director

Date:

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# Statement of Cash Flows

## Innovative Waste Kaikoura Ltd For the 6 months ended 31 December 2022

JUL-DEC 2022

2022

### Cash Flows from Operating

#### Cash was provided from

Receipts from customers	1,140,059	2,423,720
Grants received	-	31,779
Interest received	89	33
<b>Total Cash was provided from</b>	<b>1,140,148</b>	<b>2,455,532</b>

#### Cash was applied to

Payments to suppliers and employees	(1,114,009)	(2,315,045)
Interest paid	(1,871)	(2,368)
Net GST	(6,977)	(2,158)
Income Tax paid	-	(56,995)
<b>Total Cash was applied to</b>	<b>(1,122,857)</b>	<b>(2,376,566)</b>

**Total Cash Flows from Operating** 17,291 78,966

### Cash Flows from Investing

#### Cash was provided from

Receipts from sale of property, plant and equipment	5,652	9,132
<b>Total Cash was provided from</b>	<b>5,652</b>	<b>9,132</b>

#### Cash was applied to

Payments to acquire property, plant and equipment	(55,045)	(94,161)
<b>Total Cash was applied to</b>	<b>(55,045)</b>	<b>(94,161)</b>

**Total Cash Flows from Investing** (49,393) (85,029)

### Cash Flows from Financing

Repayments of loans borrowed from other parties	(10,000)	(25,000)
<b>Total Cash Flows from Financing</b>	<b>(10,000)</b>	<b>(25,000)</b>

**Net Increase/ (Decrease) in Cash** (42,102) (31,063)

### Cash Balances

Cash and cash equivalents at beginning of period	212,007	243,070
Cash and cash equivalents at end of period	169,904	212,007
Net change in cash for period	(42,102)	(31,063)

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# KPI Summary Report

Innovative Waste Kaikoura Ltd  
For the 6 months ended 31 December 2022

PERFORMANCE TARGETS	Actual Jun-22	Actual YTD Dec-22	Forecast Jun-23	Budget Jun-23
Revenue	2,291,412	1,107,940	2,215,970	1,973,764
Revenue (excluding Grants)	2,291,412	1,107,940	2,215,970	1,973,764
NPBT (excl Site Development)	-43,552	-83,074	-166,146	-150,688
Return on Equity	-5%	-9%	-21%	-23%
Shareholder Funds/Total Assets	71%	78%	64%	
Equity	961,375	971,390	795,229	644,541
ANALYTICAL RATIOS	Jun-22	YTD - Dec-22	Forecast	Budget 23
<b>Fixed Asset Turnover</b> <i>The fixed asset turnover ratio reveals how efficient a company is at generating sales from its existing fixed assets. A higher turnover ratio is indicative of greater efficiency in managing fixed-asset investments.</i>	1.06	1.07	1.07	0.95 <i>Based on Forecast Revenue</i>
<b>Current Ratio</b> <i>The current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations or those due within one year. A current ratio greater than one indicates the company has the financial resources to remain solvent in the short-term</i>	1.42	1.08	N/A	N/A <i>Inclusive of Holiday Pay Accrual</i>
<b>Current Ratio excluding Holiday Pay</b>	2.27	1.60	N/A	N/A <i>Exclusive of Holiday Pay Accrual</i>
<b>Wages as a percentage of Revenue</b> <i>A wages to sales ratio is a calculation that allows a business to determine the value of its workforce as a function of its revenue</i>	52.58%	48.50%	48.50%	59.28%
<b>Repairs and Maintenance as percentage of Revenue</b> <i>An R&amp;M to sales ratio is a calculation that allows a business to determine the value of its R&amp;M as a function of its revenue</i>	1.97%	1.97%	1.97%	1.92%

\* Updated for audited accounts