



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

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
Trading Income							
Revenue		451,444	577,974	73,610	-	-	1,103,029
RB - Sales		-	-	-	-	10,564	10,564
Total Trading Income		451,444	577,974	73,610	-	10,564	1,113,593
Cost of Sales							
Cost of Sales		361,063	526,793	62,732	1,191	-	951,780
Total Cost of Sales		361,063	526,793	62,732	1,191	-	951,780
Gross Profit		90,381	51,181	10,878	(1,191)	10,564	161,814
Other Income							
Interest Income		-	-	-	89	-	89
Total Other Income		-	-	-	89	-	89
Expenses							
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
Total Expenses		57,169	80,346	3,583	103,876	-	244,974
Net Profit (Loss) Before Taxation		33,213	(29,165)	7,295	(104,978)	10,564	(83,072)
Net Profit (Loss) for the Year		33,213	(29,165)	7,295	(104,978)	10,564	(83,072)

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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
Equity		
Opening Balance	971,390	919,357
Increases		
Profit for the Period	(83,072)	52,032
Total Increases	(83,072)	52,032
Total Equity	888,318	971,390

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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
Assets				
Current Assets				
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	-
Total Current Assets		353,570	449,036	337,045
Non-Current Assets				
Fixed Assets as per Schedule		921,197	933,667	1,001,300
Deferred Tax Liability		7,392	7,392	-
Total Non-Current Assets		928,589	941,059	1,001,300
Total Assets		1,282,159	1,390,095	1,338,345
Liabilities				
Current Liabilities				
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		-	-	-
Total Current Liabilities		328,841	343,705	312,781
Non-Current Liabilities				
Loans		65,000	75,000	85,000
Deferred Tax Liability		-	-	21,206
Total Non-Current Liabilities		65,000	75,000	106,206
Total Liabilities		393,841	418,705	418,988
Net Assets		888,318	971,390	919,357
Equity				
Retained Earnings		888,218	971,290	919,257
Reserves		100	100	100
Total Equity		888,318	971,390	919,357

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Signed by:

Director

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
Total Cash was provided from	1,140,148	2,455,532

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)
Total Cash was applied to	(1,122,857)	(2,376,566)

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
Total Cash was provided from	5,652	9,132

Cash was applied to

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

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

Cash Flows from Financing

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

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
Fixed Asset Turnover <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>
Current Ratio <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>
Current Ratio excluding Holiday Pay	2.27	1.60	N/A	N/A <i>Exclusive of Holiday Pay Accrual</i>
Wages as a percentage of Revenue <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%
Repairs and Maintenance as percentage of Revenue <i>An R&M to sales ratio is a calculation that allows a business to determine the value of its R&M as a function of its revenue</i>	1.97%	1.97%	1.97%	1.92%

* Updated for audited accounts