

Six Month Report to Shareholders

(UNAUDITED)

FOR THE PERIOD ENDING 31 DECEMBER 2023

nelmac
ENHANCING OUR ENVIRONMENT



kūmānuTM
ENVIRONMENTAL

1.0 Commentary

Nelmac Kūmānu has achieved a half-year result of \$542k profit before tax, compared with last year's half-year result of \$488k.

As at 31 December, Nelmac Kūmānu are forecasting a Full Year result of \$930k, exceeding their SOI target of \$750k.

Nelmac Kūmānu have had a strong start to the year, however see some significant headwinds over future periods:

- Continued client budget pressure negatively impacting forward forecasts.
- Assets nearing the end of their useful lives including a building that needs its roof replaced.
- Debt affordability challenges due to underperforming long-term contracts.
- Forward pipeline risk and a deteriorating economic environment.
 - Central Government initiatives like Jobs for Nature nearing completion
 - Significant Commercial Projects like Summerset & Arvida Retirement homes nearing completion.



1.1

Nelmac Kūmānu's overarching goal can be summarised as Kaitiakitanga, which for Nelmac Kūmānu means the guardianship, protection, care and upkeep of our stakeholders' natural and built environments.

Our Vision is to enhance New Zealand's environment for community wellbeing. Our Mission is to work with Kaitiaki of natural and built environments, providing expertise from advice to delivery. We will continue to develop and grow our iwi engagement strategy, to build stronger relationships and unlock opportunities for Nelmac Kūmānu's growth and for iwi participation.

To achieve our Vision, Mission and Objectives below, Nelmac Kūmānu lives by the following Values:

- **Respect** | Kūmānu te Tāngata
- **Responsibility** | Kūmānu te Mahi
- **Guardianship** | Kūmānu te Taiao

Nelmac Kūmānu's Objectives are to:

Improve Our Core Business

Protect & Develop our People

Enhance our Environment



2.0 Performance Measures

Objective Area	Goal	Measures	Timeframe
Quality of Service	Understand and strive to improve customer satisfaction	2023/24 Customer Satisfaction Survey for all Nelmac Kūmānu Customers – improving on 2021/22 score of 5.33 out of 7	June 2024
Sustainability & Community	Reduced carbon emissions year-on-year (adjusted for COVID)	Reduce carbon emissions compared with 2023 (normalised against revenue) 2022 = 2.88t per \$100k Revenue	June 2024
People & Safety	Employee turnover comparable to industry average	Employee turnover within 5% of the national industry average	June 2024
	Reduce average TRIFR	TRIFR reduction from 12 to under 10	June 2024
Non-shareholder Business	Profitable growth in non-NCC work	Profitable year on year growth in non-NCC work 2023 to 2024	June 2024
Equity Ratios	Bank Debt to Equity Ratio within acceptable risk tolerance	Bank Debt to Equity at or below 55%	June 2024



3.0 Statement of Performance

STATEMENT OF FINANCIAL PERFORMANCE		
Actual for the six months to	31 DEC 2023	31 DEC 2022
NCC Revenue	18,174,267	19,626,300
Non-NCC Revenue	9,567,578	7,759,757
Total Revenue	27,741,844	27,386,057
Operating Expenditure	27,199,621	26,897,505
Profit Before Subvention Payments & Tax	542,223	488,552



4.0 Position

STATEMENT OF FINANCIAL POSITION		
Actual for the 6 months to	31 DEC 2023	31 DEC 2022
Equity		
Share Capital	2,000,000	2,000,000
Retained Earnings	8,063,444	8,119,912
Asset Revaluation	2,045,000	2,045,000
Total Equity	12,108,444	12,164,912
Represented by		
Current Assets	9,126,731	8,020,504
Less Current Liabilities*	9,366,289	5,726,886
Working Capital	-239,558	2,293,618
Fixed Assets & Investments	13,084,938	14,120,903
Right to use Assets	541,316	777,419
Provision for Deferred Taxation	36,134	46,724
Less Term Bank Debt*	735,646	4,282,574
Less Lease Liabilities	578,739	791,178
Net Assets	12,108,444	12,164,912

* Current Liabilities includes term debt due for expiry that is being extended in April 2024.

5.0 Cash

STATEMENT OF MOVEMENT IN CASH		
Actual for the six months to	31 DEC 2023	31 DEC 2022
Net Cashflows from Operating Activities	1,216,027	1,755,091
Net Cashflows for Investing Activities	(796,696)	(2,034,364)
Net Cashflows from Financing Activities		
Cash provided from/(applied to) Borrowings	675,057	(371,660)
Cash applied to Dividends paid	-	-
Net Movement in Funds	1,094,389	(650,933)
Plus Opening Cash	834,726	1,777,151
Closing Cash Balance	1,929,115	1,126,218





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water**

