

Economic



GRI DESCRIPTION

Direct economic value generated and distributed, including revenue, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers and governments.

CHOW:HILL METRIC

Financial accounts and ratios; social investment.

TARGET

Was exceeded.

COMMENTARY

The Board of Directors and CEO take responsibility for delivering to shareholders a return on their investment through good governance and prudent management of our company. Regular and timely forecast reporting of financial performance enables company decision making to be based on robust information and analysis.

PERFORMANCE

Our key results for this financial year were:

- We generated 106% of budgeted revenue for the 2019-2020 compared to 108% in 2018-2019.
- Operating margin was 42% above budget, compared to 17% above budget in 2018-2019.
- Cost of sales less than 2% under budget.
- Overheads were almost on budget
- Productivity write-off at 9% was 6% better than budget and 5% better than 2018-2019.

Our key financial ratios for this financial year were:

- Liquidity ratio: 2.94 (2.86 in 2018-2019).
- Debt to equity ratio: .73 (.71 in 2018-2019).
- We are in line with RIBA benchmarks for ratios of operating cost categories against total operating costs.
- Health and safety expenditure for the company doubled.
- Staff recruitment fees decreased by 64%.

- Staff training and development decreased by 21%.
- Printing costs remained in line with last year.
- Donations and sponsorship expenditure increased by 31%, or \$21,236.

Business from new clients remained consistent at about 7% of total revenue. In Auckland, the figure increased from 1.4% to 3.93%, while in Hamilton, the figure decreased from 16.65% to 10.91%.

Overall, the company increased total revenue by 6% and secured 45 new clients.

Shareholders continue to maintain stable levels of investment in the business and sufficient cash has been retained to fund business development.

IMPACT

The financial result maintains choice and flexibility in where and how we direct surpluses for internal and external business initiatives.

As a result of investment in staff training in prior years, we have a more efficient team with less requirements of ongoing training.

Regular investment in health and safety materials has ensured our ongoing costs have reduced this year.

TARGET 2020-2021

We aim to achieve a minimum of 100% of budgeted revenue and to increase our surplus through lower overheads and increased efficiency through continually improving productivity write-offs. We anticipate cost of sales to increase as a result of growth in staff and adjustments to remuneration.