GroundSpread Members Day Napier– 2026

Reading the financial tide

1

Lawrence Field
Rural Field Consultants Ltd
Masterton NZ

Rural Field Consultants

1

Understanding the financials

2

- Know your numbers
- Pricing
- Terms of Trade
- Depreciation
- Profit or Loss
- Balance Sheet
- Growing Wealth

Rural Field Consultants

2

3

1. Know your numbers

What % of Income?

• Labour	25%		
• Fuel	15		
• Vehicle servicing and maintenance	10		
• RUC	10		
• Administration	4	64 %	?
• Interest	10		
• Depreciation	10	84 %	?
• Profit		16%	?

Rural Field Consultants

3

4

Know your numbers

What % of Income?

- Out of this Profit must come:
  - Tax
  - Principal repayments
  - Savings
  - Growing Wealth

Rural Field Consultants

4

Know your numbers

What drives profits ?

- Reducing costs or Growing Income ?
- How often are you monitoring this?
- Do you share with staff?
- What drives Income?
  - Hours per Truck per year
  - Chargeable hours per day
  - Total tonnage spread

Rural Field Consultants

5

2. Pricing

- $/Tonne
- $/Ha
- $/hour
- Fuel adjustment factor

- Which is the easiest to calculate and the best reflection of your true costs?

Rural Field Consultants

6

3. Terms of Trade

7

- Invoicing at end of month
- Payment due on 20th month following
- **Or**
- Invoice as leave farm or weekly
- Payment due in 7 days, 10 days or 14 days
- Even if only some pay early you have saved $ overdraft

Rural Field Consultants

7

Terms of Trade…ctd

8

- How easy and timely is your invoicing?
- What systems (on-truck and in-office) are others using?
- Could your accountant or Groundspreader's Branch offer suggestions to streamline this critical process?

- Some are exporting Tabula details direct to Xero so invoices are already drafted
- Have you considered offering Direct Debit to your clients?

Rural Field Consultants

8

4. Depreciation

9

- The loss in value of an asset because part of it has been 'used up' in generating your taxable income
- A non-cash expense that reduces your taxable income
- Rates set by IRD
- Straight line or Diminishing Value
- Eg Truck class NC over 12T SL = 13.5%   DV = 20%

Rural Field Consultants

9

4. Depreciation

10

- Government Investment Boost
- From May 2025 can claim an extra initial 20% depreciation on new assets
- The remaining 80% is then depreciated at normal rates

- See example on $500,000 new truck
- Straight Line = 13.5%   Depreciated Value = 20%

Rural Field Consultants

10

WITH INVESTEMENT BOOST							
Purchase July 2026			Balance Date June		SL = 13.5%		
$000							Close
Year	Open BV	Cost	Inv Boost 20%	Remain 80%	Depn SL	Tot Depn	Book
One		500	100	400	54	154	346
Two	346				54	208	292
Three	292				54	262	238
Four	238				54	316	184
Five	184				54	370	130
Six	130				54	424	76
Seven	76				54	478	22

Rural Field Consultants

11

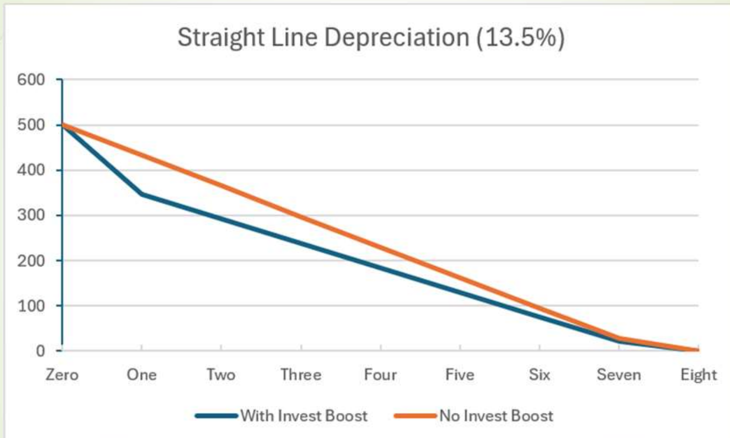
WITH INVESTEMENT BOOST							
Purchase July 2026			Balance Date June		SL = 13.5%		
$000							Close
Year	Open BV	Cost	Inv Boost 20%	Remain 80%	Depn SL	Tot Depn	Book
One		500	100	400	54	154	346
Two	346				54	208	292
Three	292				54	262	238
Four	238				54	316	184
Five	184				54	370	130
Six	130				54	424	76
Seven	76				54	478	22

WITHOUT INVESTMENT BOOST							
Purchase July 2026			Balance Date June		SL = 13.5%		
$000							Close
Year	Open BV	Cost			Depn SL		Book
One		500		500	67.5	67.5	432.5
Two	432.5				67.5	135	365.0
Three	365.0				67.5	202.5	297.5
Four	297.5				67.5	270	230.0
Five	230.0				67.5	337.5	162.5
Six	162.5				67.5	405	95.0
Seven	95.0				67.5	472.5	27.5
Eight	27.5				27.5	500	0.0

Rural Field Consultants

12

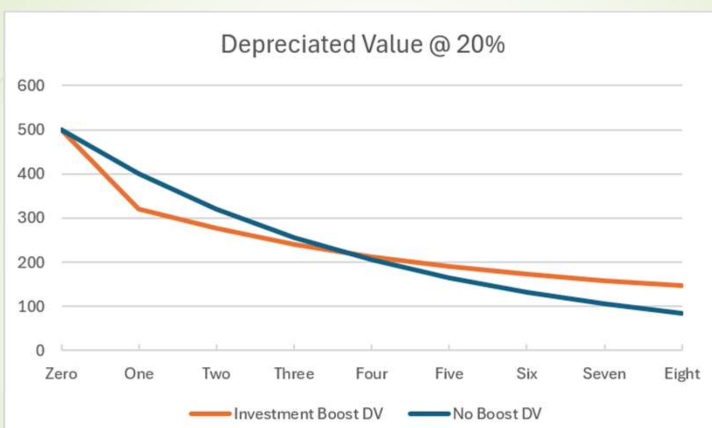
Straight Line Depreciation: Investment Boost vs No Boost



Rural Field Consultants

13

Depreciated Value: Investment Boost vs No Boost

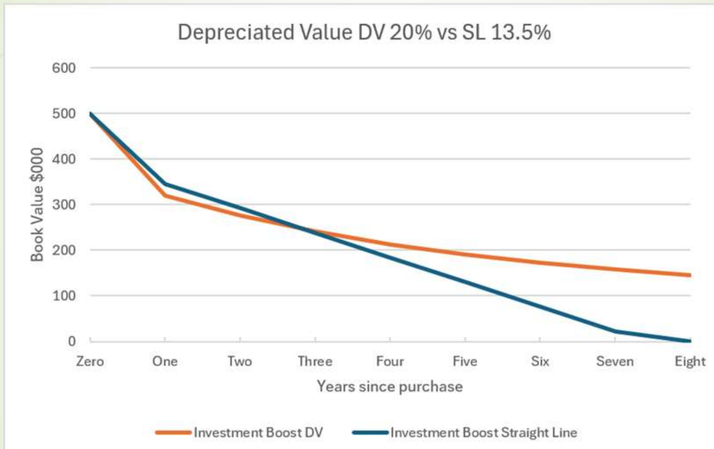


Rural Field Consultants

14

15

With Investment Boost: Straight Line vs Depreciated Value
(no real difference until after 4 years)



Rural Field Consultants

15

16

Future

Present

Past

Business Plan
Forecasts

Accounting Software

Financial Statements

Rural Field Consultants

16

17

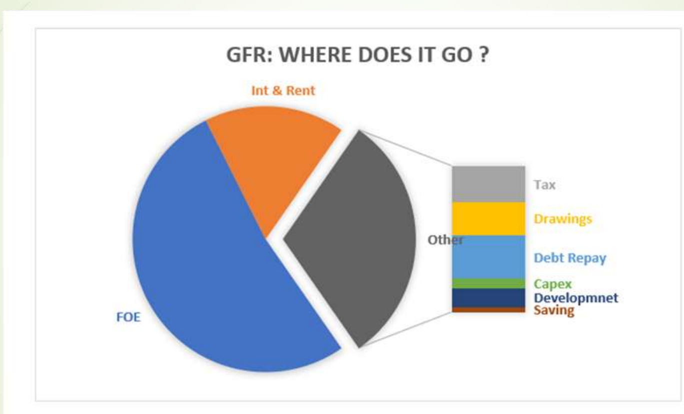
Statement of Profit or Loss – like a video

"For the Year Ended …"

17

18

Profit or Loss



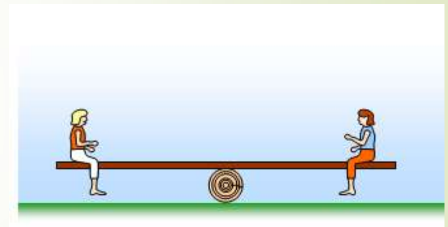
Rural Field Consultants

18

19

Balance Sheet or Statement of Financial Position –

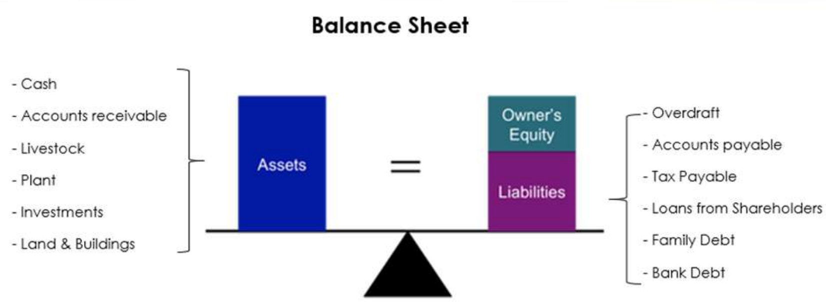
like a snapshot or photo “As at …”



19

20

Balance Sheet or Statement of Financial Position



Assets = Liabilities + Equity

Or it can be written:

Equity = Assets - Liabilities

In plain English:

Net Worth = Own - Owe

20

7. Building Wealth

Grow the business or Invest outside the business

Growth generally requires:

- Capital
- Capability and Capacity
- The right people

21

Rural Field Consultants

21

8) Discussion

22

Rural Field Consultants

22