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Greytown District Trust Lands

SPOTLIGHT REPORT - August 2019

Prepared 12 September 2019



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Highlights

1. Capital Expenditure & Debt planning

Spotlight Forecasting Analysis

Profit and loss against the 2019/20 budget:

- Gross Profit, behind budget forecast (\$6.6k, mixture of savings on R&M to date, but with reduced rental income).
- OPEX - no notable spend, well within budget range.
- GRANTS - on budget.
- YTD profit is \$178k (net of Grants), \$2.9k ahead of budget.

Position / Debt Analysis

- The WBS debt was repaid in 'July 2018' - still \$10.
- \$1.4m now on Term Deposit - \$600k moved in August (Sale of Cole Street).
- \$103.3k cash in the bank (with adequate working capital cover of > \$114k).
- \$114.2k total working capital cover (which means cash plus debtors is \$114.2k greater than our GST/creditors/grants obligation/holiday pay liabilities owing).
- Leave analysis:
 - Kevin = Annual Leave 167hrs (\$11.1k), Sick Leave = 8 days owing.
 - Helga = Annual Leave 34hrs (\$1.06k), Sick Leave = 13 days owing.

Total YTD Capex

HIGHLIGHTS

- Apr: \$Nil
- May: \$2.6k Whanganui (Blinds).
- June: \$3.4k Whanganui (Blinds).
- July (Nil)
- August (Nil)

[The spend on Arbour Place cumulative from last year is \$135k].

PROPERTY

1. Summary Analysis

	PROPERTY ANALYSIS (CONTRIBUTIONS)				
	Investment	Renewal	Interest	Sale of property	Term deposit
Target	70,000	210,000	34,255	919,000	750,301
Per Month	5,833	17,500			
August 2019 Target	29,167	87,500			
Banked end of August	50,000	68,000	12,405	600,000	1,480,706
Ahead of Target	20,833	(19,500)			
Remaining	(20,000)	(142,000)	(21,850)	(319,000)	(502,850)
Months left	7	7			
Avg required per month	2,857	20,286			
FORECAST CASH DEPOSIT					1,983,556

2. Properties

The above table is an analysis of property investment and renewal buckets to illustrate the progress for putting aside the cash, and also the forecast planned outcomes (and how this impacts the term deposit growth).

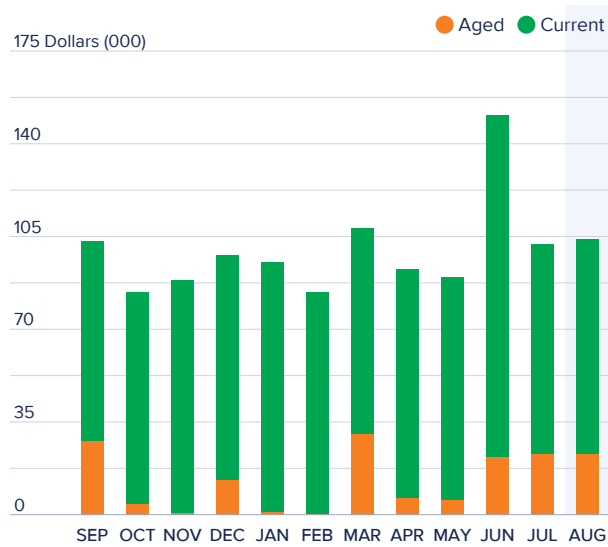
Activity:

- Deposit on Arbour Place (Net \$22.8k) - still awaiting settlement.
- We have included a provision in the analysis for sale of all three Lots at Arbor Place net \$499k.
- \$1.4mill is on term deposit (a further \$600k was moved on 6th August 2019 from the Sale of 11 Cole Street).
- Investment bucket - Ahead of target for YTD by \$20.8k. Renewal bucket shows as \$19.5k behind target. The net position is that sufficient funds have been deposited to cover the YTD forecast (albeit allocation to be equalised).

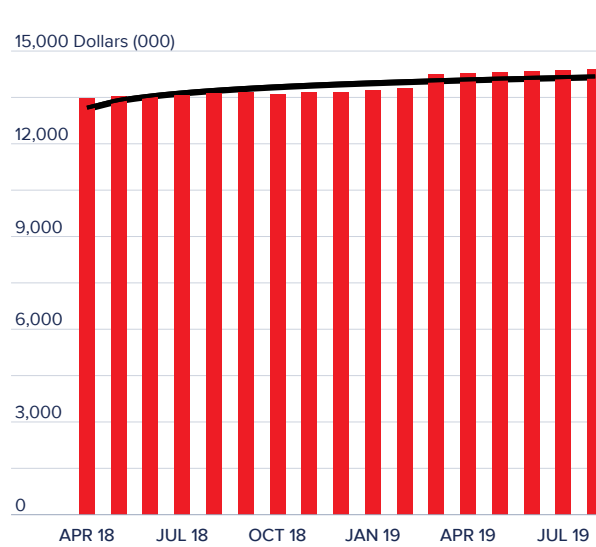
	YTD	Actual vs Orig Budget			Projections Analysis			
	Actual	Budget	Variance	Variance %	19/20 Proj	Orig Budget	Variance	Variance %
Interest Income	12,446	13,408	-962	-7.2%	36,877	37,839	-962	-2.5%
Recoveries	63,222	73,507	-10,285	-14.0%	91,829	102,114	-10,285	-10.1%
Rents	383,063	392,873	-9,810	-2.5%	937,989	947,799	-9,810	-1.0%
Total Revenue	458,731	479,788	-21,057	-4.4%	1,066,695	1,087,752	-21,057	-1.9%
Total Cost of Sales	96,004	110,402	-14,398	-13.0%	171,313	185,711	-14,398	-7.8%
Gross Profit	362,727	369,386	-6,659	-1.8%	895,382	902,041	-6,659	-0.7%
GP%	79.1%	77.0%			83.9%	82.9%		
ADMIN	95,797	92,896	2,901	3.1%	251,235	248,334	2,901	1.2%
GRANTS	75,293	74,151	1,142	1.5%	304,378	303,236	1,142	0.4%
OPEX	12,692	26,125	-13,433	-51.4%	49,366	62,799	-13,433	-21.4%
Total OPEX	183,782	193,172	-9,390	-4.9%	604,979	614,369	-9,390	-1.5%
Operating Profit	178,945	176,214	2,731	1.5%	290,403	287,672	2,731	0.9%
EBITDA	178,945	176,214	2,731	1.5%	290,403	287,672	2,731	0.9%
EBITDA%	39.0%	36.7%			27.2%	26.4%		
Depreciation	890	1,075	-185	-17.2%	2,395	2,580	-185	-7.2%
EBIT	178,055	175,139	2,916	1.7%	288,008	285,092	2,916	1.0%
EBT	178,055	175,139	2,916	1.7%	288,008	285,092	2,916	1.0%

	Now	Monitors	
	As at Aug 19	CAPEX Monitor	YTD
Accounts Receivable	103,763	Improvements to Investment Proper	5,722
Bank Accounts	169,856	Freehold Land	-250,000
Dev WIP	135,874	Buildings	-349,806
Other Current Assets	1,480,706	Total CAPEX	-594,084
Total Current Assets	1,890,199		
Term Assets	12,620,467	Debt Monitor	As at Aug 19
Total Assets	14,510,666	Taxes	18,480
Accounts Payable	12,925	Accounts Payable	13,925
Grants Committed Not yet paid	1,000	Term Loans	11
Other Current Liabilities	77,880	Other	60,041
Total Current Liabilities	91,805	Total Debt	92,457
Term Liabilities	652		
Total Liabilities	92,457		
Equity	14,418,209		

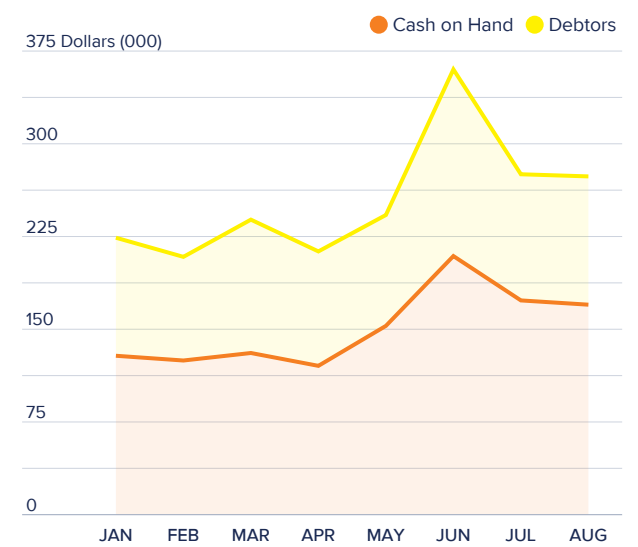
RECEIVABLES



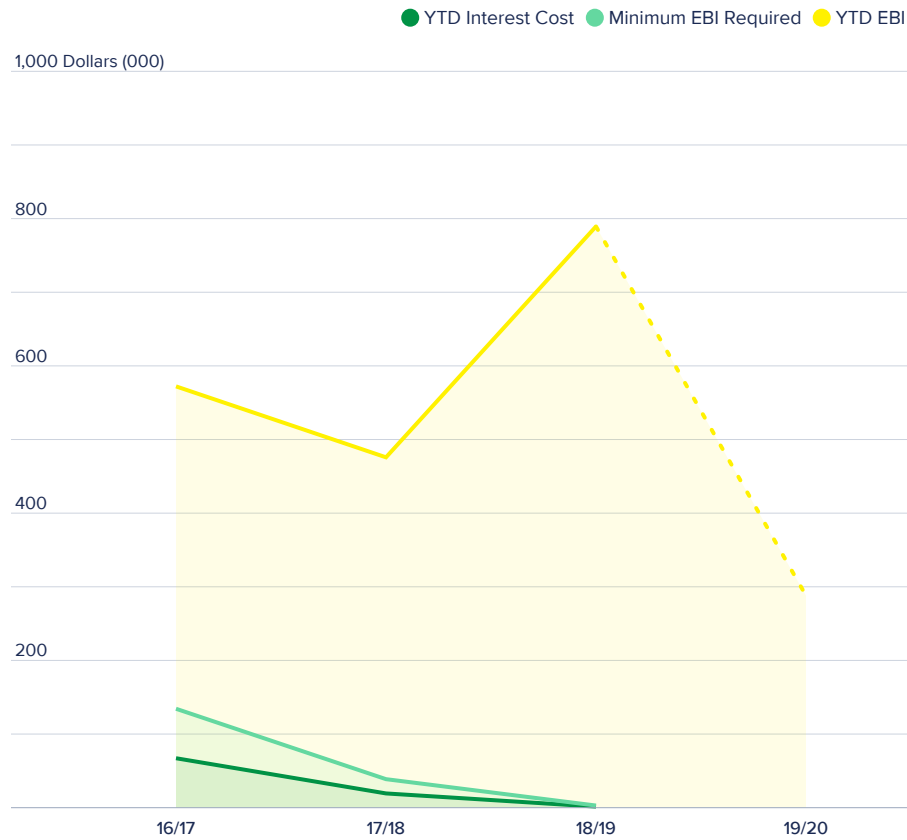
EQUITY TREND



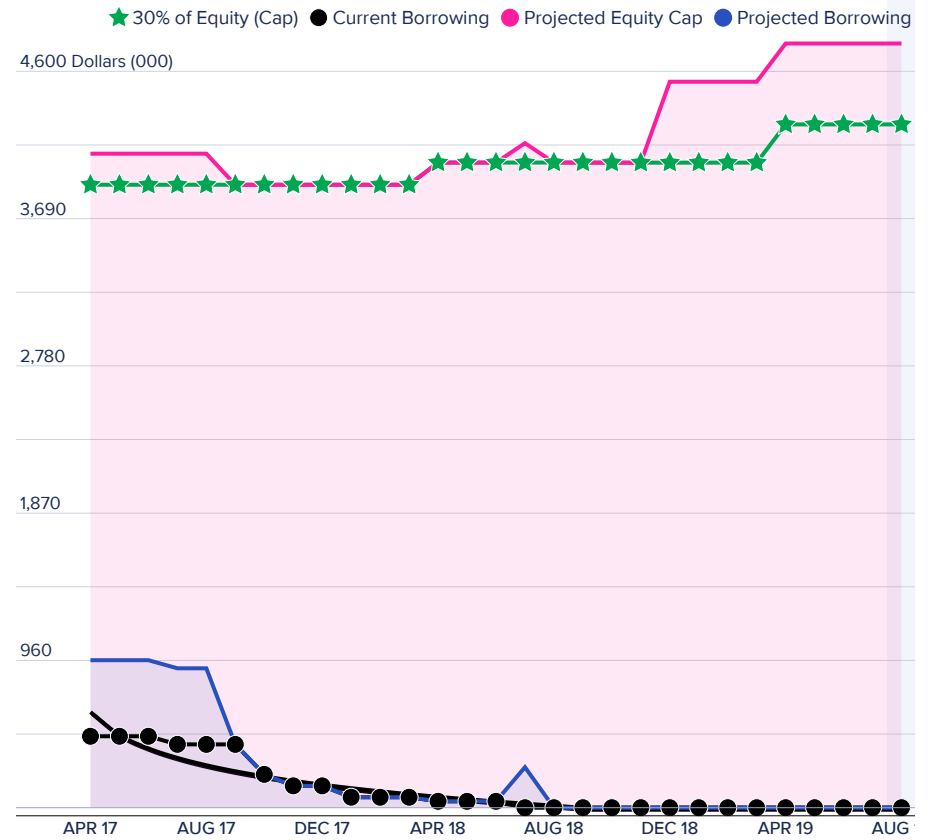
LIQUIDITY - (Cash + Debtors)



EBI > Interest Cost x2



Borrowing < 30% of Equity



Mandated Compliance

Compliance with Minister mandated borrowing restrictions	
1. EBI > interest cost x 2	
YTD interest	0.25
Minimum EBI cover required (YTD interest x 2)	0.50
YTD EBI	178,055
2. Borrowing < 30% of equity	
Cap based on equity	4,325,463
Current level of drawdown from WBS	11
<i>The Trust is therefore fully compliant with both its borrowing restrictions.</i>	
Projected available borrowing allocation up to cap	
Cap based on equity	4,325,463
Projected Borrowing Cap	4,325,463
Less	
Current level of drawdown from WBS	(11)
Projected additional drawdown:	
Sale of Lot 25 \$375 less costs	355,000
Sale of smaller lots \$85k & \$65k	144,000
Total Gain	499,000
Projected repayment Debt:	
	0
Total Debt Repaid	0
Projected available borrowing allocation up to cap	4,824,452
Land Reserve Balance - per Policy	1,730,734