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Greytown District Trust Lands

SPOTLIGHT REPORT - November 2019

Prepared 10 December 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 (\$10k, mixture of savings on R&M to date, but with reduced rental income).
- OPEX - no notable spend, well within budget range.
- GRANTS - below budget (unspent Yete Grant).
- YTD profit is \$232k (net of Grants), \$32.2k ahead of budget.
 - The forecast Spotlight figure of \$317k (vs Budget of \$285k) will depend on decisions made to spend currently underspent opex and Grants.

Position / Debt Analysis

- The WBS debt was repaid in 'July 2018' - still \$10.
- \$1.48m now on Term Deposit at WBS, with a further new deposit of \$423.5k.
- \$166.1k on Deposit with BNZ.
- \$111k cash in the bank (with adequate working capital cover of > \$68k).
- \$68k total working capital cover (which means cash plus debtors is \$68k greater than our GST/creditors/grants obligation/holiday pay liabilities owing).
- Leave analysis:
 - Kevin = Annual Leave 43.38hrs (\$2.9k), Sick Leave = 8 days owing.
 - Helga = Annual Leave 37.8hrs (\$1.5k), Sick Leave = 11 days owing.

Total YTD Capex

HIGHLIGHTS

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

- September (\$154)
- October (Nil)
- November (\$16.1k - NZ Police)

[The spend on Arbour Place cumulative from last year is \$148k - to be cleared at the completion of property sales in November - will clear out at year end with valuation adjustments].

PROPERTY

1. Summary Analysis

	PROPERTY ANALYSIS (CONTRIBUTIONS)					
	Investment	Renewal	Total Fund	Interest	Sale of property	Term deposit & Savings
Target	70,000	210,000	280,000	34,255	919,000	750,301
Per Month	5,833	17,500	23,333			
November 2019 Target	46,667	140,000	186,667			
Improvements Spend	-	(19,769)	(19,769)			
Adjusted Target	46,667	120,231	166,897			
Banked end of November 2019	50,000	124,950	174,950	12,405	1,132,670	2,070,326
Ahead of Target	3,333	4,719	8,052			
Remaining	(20,000)	(85,050)	(105,050)	(21,850)		(126,900)
Months left	4	4	4			
Avg required per month	5,000	21,263	26,263			
FORECAST CASH DEPOSIT						2,197,226

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:

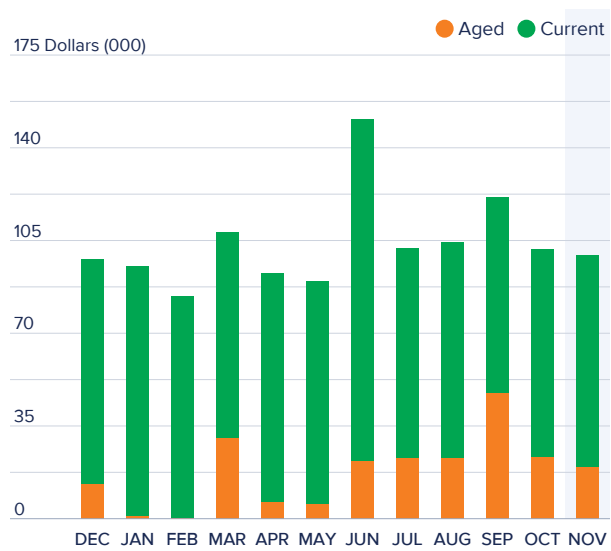
- 12 Arbor Place - settlement in November. Sale of the final Lot at Arbor Place net \$68k incl GST (Settled 5th November).
- \$1.48mill is on term deposit, with a further new deposit of \$423.5k. \$166.1k on Deposit with BNZ.
- Investment bucket - Ahead of target for YTD by \$8k. Trust needs to put aside \$105k gross between December and March to fulfil obligations for \$280k. Any Renewal spend (ie. Police Station) will be net off the \$210k provision amount.



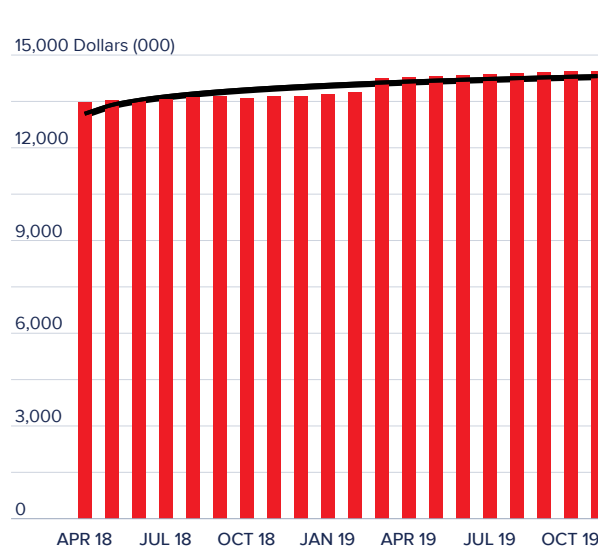
	YTD	Actual vs Orig Budget			Projections Analysis			
	Actual	Budget	Variance	Variance %	19/20 Proj	Orig Budge	Variance	Variance %
Interest Income	12,507	14,428	-1,921	-13.3%	35,918	37,839	-1,921	-5.1%
Recoveries	77,563	87,520	-9,957	-11.4%	92,157	102,114	-9,957	-9.8%
Rents	601,193	630,269	-29,076	-4.6%	918,723	947,799	-29,076	-3.1%
Total Revenue	691,263	732,217	-40,954	-5.6%	1,046,798	1,087,752	-40,954	-3.8%
Total Cost of Sales	117,517	146,354	-28,837	-19.7%	156,874	185,711	-28,837	-15.5%
Gross Profit	573,746	585,863	-12,117	-2.1%	889,924	902,041	-12,117	-1.3%
GP%	83.0%	80.0%			85.0%	82.9%		
ADMIN	147,986	149,183	-1,197	-0.8%	247,137	248,334	-1,197	-0.5%
GRANTS	180,579	196,708	-16,129	-8.2%	287,107	303,236	-16,129	-5.3%
OPEX	11,666	38,431	-26,765	-69.6%	36,034	62,799	-26,765	-42.6%
Total OPEX	340,231	384,322	-44,091	-11.5%	570,278	614,369	-44,091	-7.2%
Operating Profit	233,515	201,541	31,974	15.9%	319,646	287,672	31,974	11.1%
EBITDA	233,515	201,541	31,974	15.9%	319,646	287,672	31,974	11.1%
EBITDA%	33.8%	27.5%			30.5%	26.4%		
Depreciation	1,424	1,720	-296	-17.2%	2,284	2,580	-296	-11.5%
EBIT	232,091	199,821	32,270	16.1%	317,362	285,092	32,270	11.3%
EBT	232,091	199,821	32,270	16.1%	317,362	285,092	32,270	11.3%

	Now	Monitors	
	As at Nov 19	CAPEX Monitor	YTD
Accounts Receivable	99,564	Improvements to Investment Proper	22,071
Bank Accounts	343,805	Buildings	-341,175
Dev WIP	148,962	Freehold Land	-776,283
Other Current Assets	1,904,276	Total CAPEX	-1,095,387
Total Current Assets	2,496,607		
Term Assets	12,118,629	Debt Monitor	As at Nov 19
Total Assets	14,615,236	Accounts Payable	78,227
Accounts Payable	77,227	Taxes	36,904
Grants Committed Not yet paid	1,000	Term Loans	11
Other Current Liabilities	64,252	Other	27,852
Total Current Liabilities	142,479	Total Debt	142,994
Term Liabilities	515		
Total Liabilities	142,994		
Equity	14,472,242		

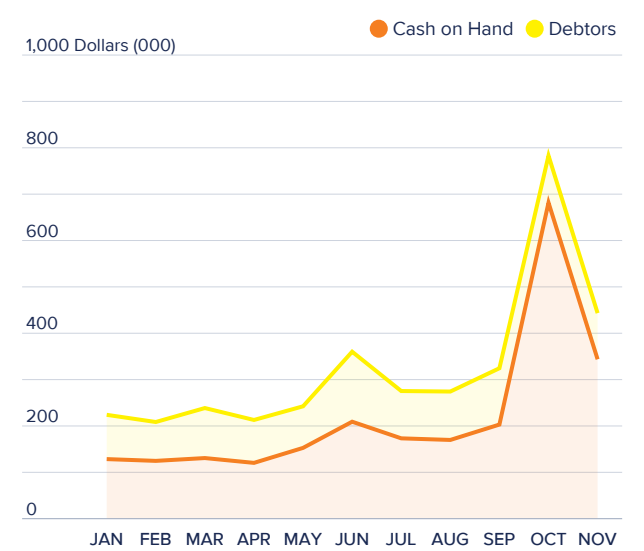
RECEIVABLES



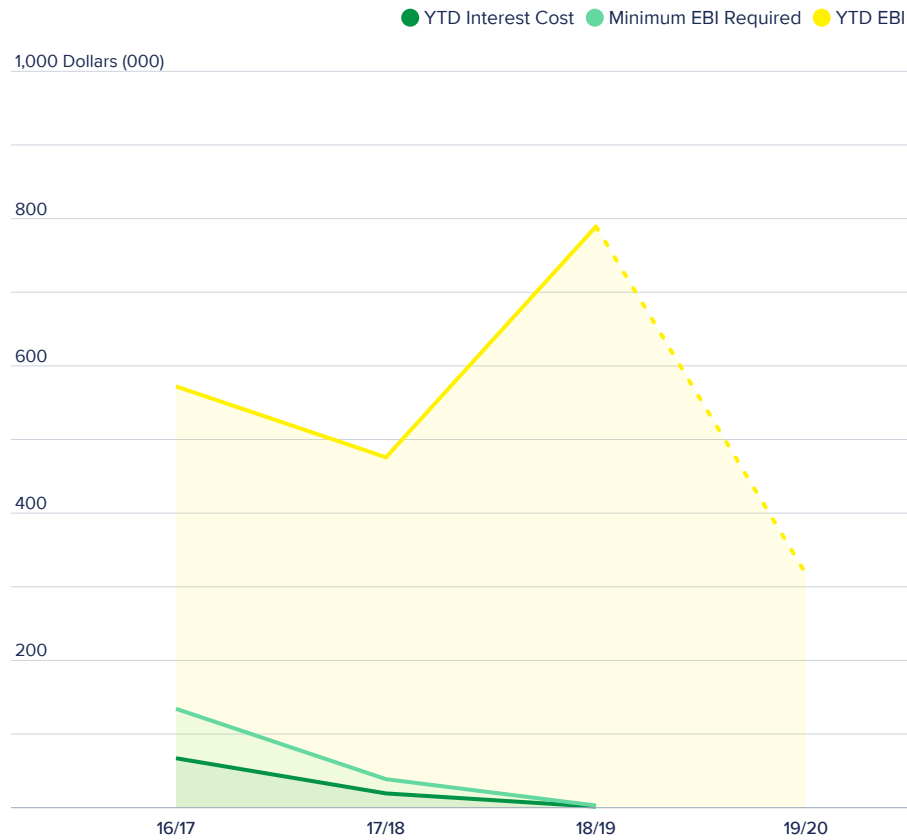
EQUITY TREND



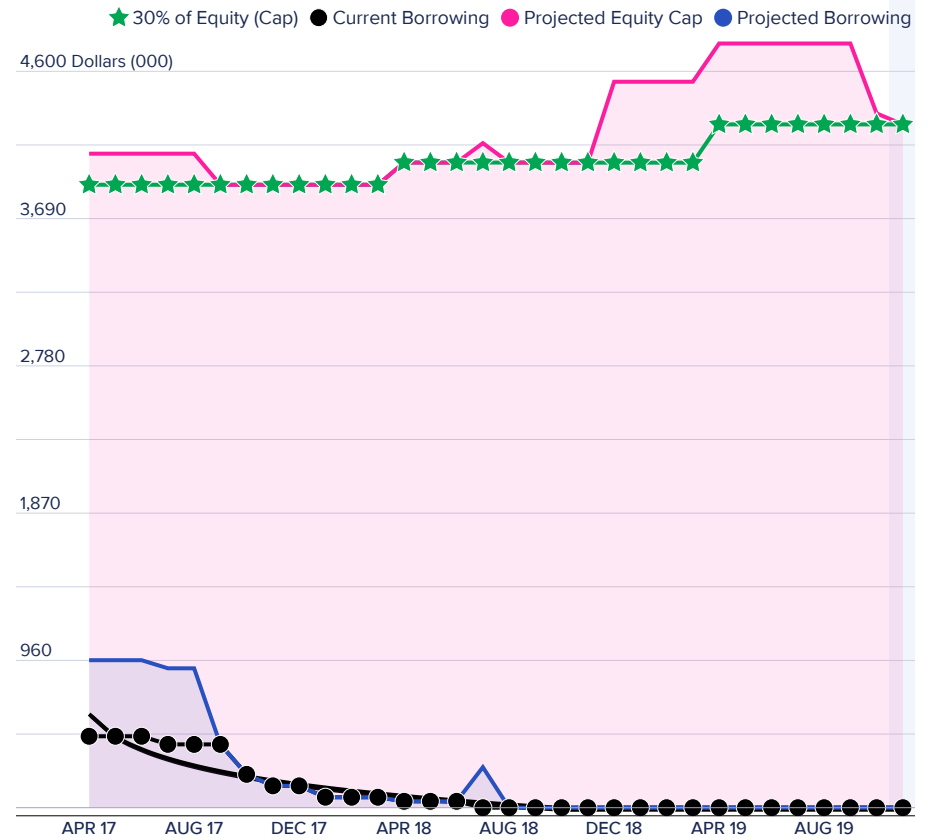
LIQUIDITY - (Cash + Debtors)



EBI > Interest Cost x2



Borrowing < 30% of Equity



Mandated Compliance

Compliance with Minister mandated borrowing restrictions	
1. EBI > interest cost x 2	
YTD interest	0.40
Minimum EBI cover required (YTD interest x 2)	0.80
YTD EBI	232,087
2. Borrowing < 30% of equity	
Cap based on equity	4,341,673
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	4,341,673
Projected Borrowing Cap	4,341,673
Less	
Current level of drawdown from WBS	(11)
Projected additional drawdown:	
Total Gain	0
Projected repayment Debt:	0
Total Debt Repaid	0
Projected available borrowing allocation up to cap	4,341,662
Land Reserve Balance - per Policy	1,730,734