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Greytown District Trust Lands

SPOTLIGHT REPORT - January 2020

Prepared 14 February 2020



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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 (\$9.1k, 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, and a derferal on original budget relating to the 'Bulk' funding grant).
- YTD profit is \$305.4k (net of Grants), \$59.4k ahead of budget.
 - The forecast Spotlight figure of \$344k (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.
- \$202.5k on Deposit with BNZ (\$32k transfered in Feb 20 to fulfil budget plan).
- \$41.7k cash in the bank (with adequate working capital cover of > \$87k).
- \$87k total working capital cover (which means cash plus debtors is \$87k greater than our GST/creditors/grants obligation/holiday pay liabilities owing).
- Leave analysis:
 - Kevin = Annual Leave 26.15hrs (\$1.9k), Sick Leave = 12 days owing.
 - Helga = Annual Leave 18.18hrs (\$0.597k), Sick Leave = 16 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)
- December (\$17.4k - NZ Police)
- January (\$995 - NZ Police)

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 | | | |
| January 2020 Target | 58,333 | 175,000 | 233,333 | | | |
| Improvements Spend | | - 38,220 | - 38,220 | | | |
| Adjusted Target | 58,333 | 136,780 | 195,113 | | | |
| Banked end of January 2020 | 52,500 | 158,841 | 211,341 | 12,499 | 1,132,670 | 2,106,811 |
| Ahead of Target | (5,833) | 22,061 | 16,228 | | | |
| Remaining | (17,500) | (12,939) | (30,439) | (21,756) | | (52,194) |
| Months left | 2 | 2 | 2 | | | |
| Avg required per month | 8,750 | 6,469 | 15,219 | | | |
| FORECAST CASH DEPOSIT | | | | | | 2,159,006 |

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).

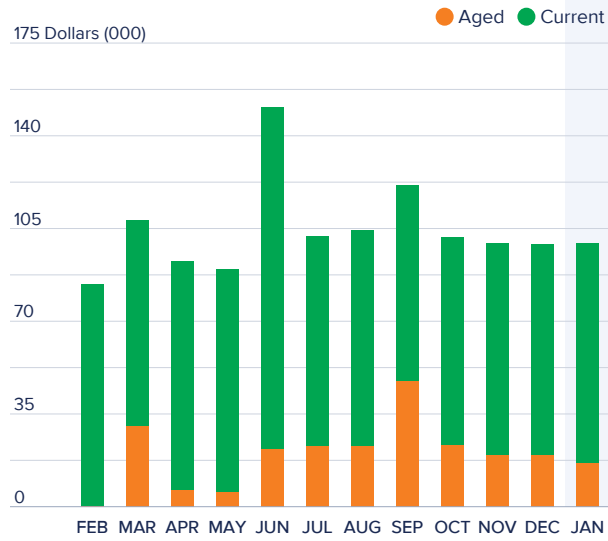
Activity:

- \$1.48mill is on term deposit, with a further new deposit of \$423.5k. \$202.5k on Deposit with BNZ.
- Total Investment/Renewal buckets - Ahead of target for YTD by \$16.2k. Trust needs to put aside a further \$30.4k between February and March to fulfil obligations for \$280k (net of renewal costs accounted for). Any Renewal spend (ie. Police Station) will be net off the \$210k provision amount. **[Note; have transferred \$32k on 12th Feb to cover the financial year provision in full].**

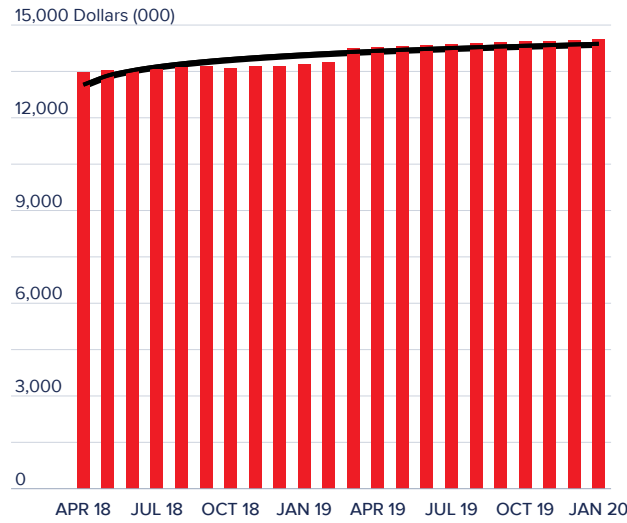
| | YTD | Actual vs Orig Budget | | | Projections Analysis | | | |
|----------------------------|----------------|-----------------------|----------------|---------------|----------------------|------------------|----------------|---------------|
| | Actual | Budget | Variance | Variance % | 19/20 Proj | Orig Budget | Variance | Variance % |
| Interest Income | 12,540 | 36,716 | -24,176 | -65.8% | 13,663 | 37,839 | -24,176 | -63.9% |
| Recoveries | 86,267 | 96,246 | -9,979 | -10.4% | 92,135 | 102,114 | -9,979 | -9.8% |
| Rents | 754,919 | 788,867 | -33,948 | -4.3% | 913,851 | 947,799 | -33,948 | -3.6% |
| Total Revenue | 853,726 | 921,829 | -68,103 | -7.4% | 1,019,649 | 1,087,752 | -68,103 | -6.3% |
| Total Cost of Sales | 132,006 | 166,743 | -34,737 | -20.8% | 150,974 | 185,711 | -34,737 | -18.7% |
| Gross Profit | 721,720 | 755,086 | -33,366 | -4.4% | 868,675 | 902,041 | -33,366 | -3.7% |
| GP% | 84.5% | 81.9% | | | 85.2% | 82.9% | | |
| ADMIN | 191,539 | 195,233 | -3,694 | -1.9% | 244,640 | 248,334 | -3,694 | -1.5% |
| GRANTS | 210,974 | 267,402 | -56,428 | -21.1% | 246,808 | 303,236 | -56,428 | -18.6% |
| OPEX | 12,198 | 44,365 | -32,167 | -72.5% | 30,632 | 62,799 | -32,167 | -51.2% |
| Total OPEX | 414,711 | 507,000 | -92,289 | -18.2% | 522,080 | 614,369 | -92,289 | -15.0% |
| Operating Profit | 307,009 | 248,086 | 58,923 | 23.8% | 346,595 | 287,672 | 58,923 | 20.5% |
| EBITDA | 307,009 | 248,086 | 58,923 | 23.8% | 346,595 | 287,672 | 58,923 | 20.5% |
| EBITDA% | 36.0% | 26.9% | | | 34.0% | 26.4% | | |
| Depreciation | 1,602 | 2,150 | -548 | -25.5% | 2,032 | 2,580 | -548 | -21.2% |
| EBIT | 305,407 | 245,936 | 59,471 | 24.2% | 344,563 | 285,092 | 59,471 | 20.9% |
| EBT | 305,407 | 245,936 | 59,471 | 24.2% | 344,563 | 285,092 | 59,471 | 20.9% |

| | Now | Monitors | |
|----------------------------------|-------------------|-----------------------------------|---------------------|
| | As at Jan 20 | CAPEX Monitor | YTD |
| Accounts Receivable | 99,455 | Improvements to Investment Proper | 40,522 |
| Bank Accounts | 325,703 | Buildings | -349,806 |
| Dev WIP | 148,962 | Freehold Land | -768,375 |
| Other Current Assets | 1,904,276 | Total CAPEX | -1,077,659 |
| Total Current Assets | 2,478,396 | | |
| Term Assets | 12,136,179 | Debt Monitor | As at Jan 20 |
| Total Assets | 14,614,575 | Taxes | 30,392 |
| Accounts Payable | 12,358 | Accounts Payable | 13,358 |
| Grants Committed Not yet paid | 1,000 | Term Loans | 11 |
| Other Current Liabilities | 55,237 | Other | 25,257 |
| Total Current Liabilities | 68,595 | Total Debt | 69,018 |
| Term Liabilities | 423 | | |
| Total Liabilities | 69,018 | | |
| Equity | 14,545,557 | | |

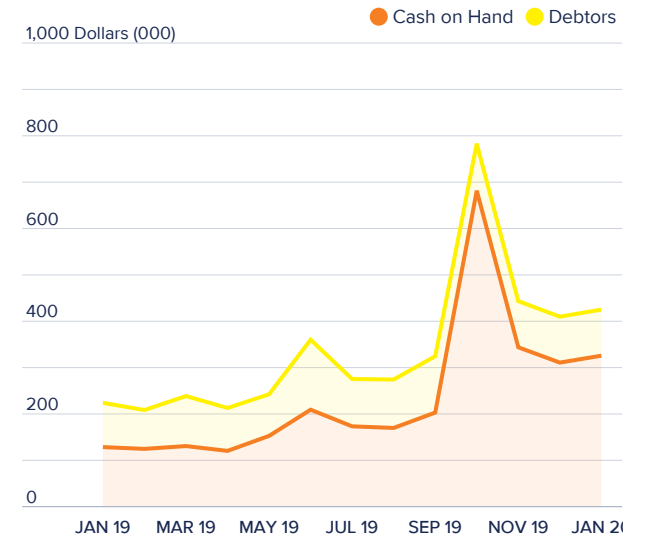
RECEIVABLES



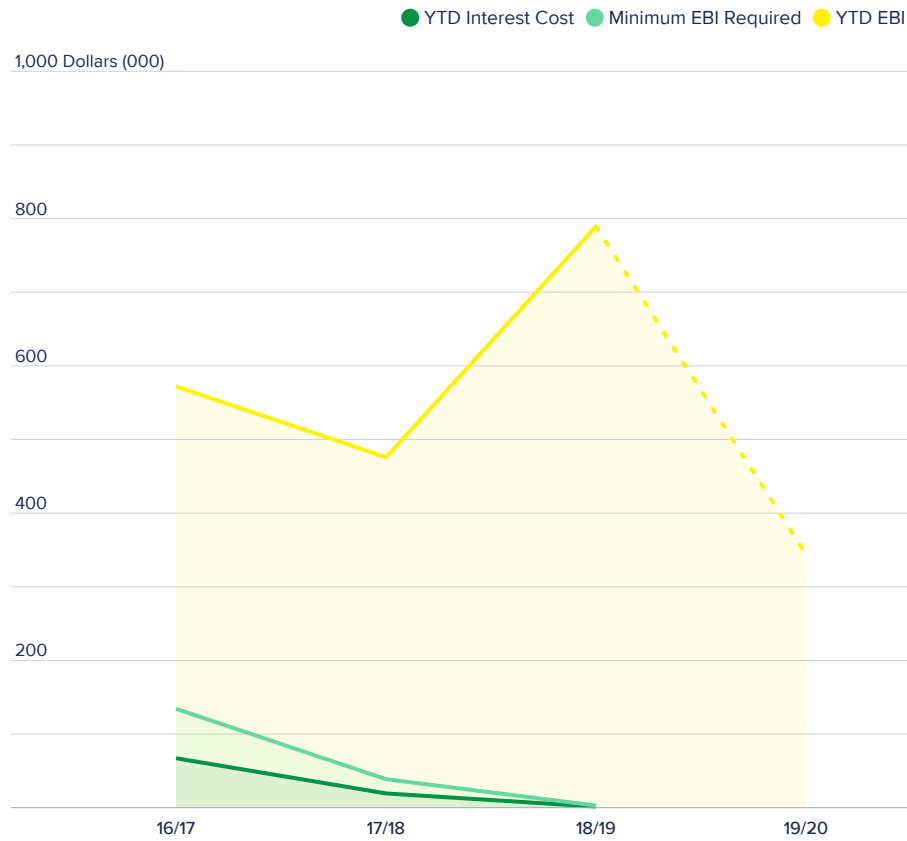
EQUITY TREND



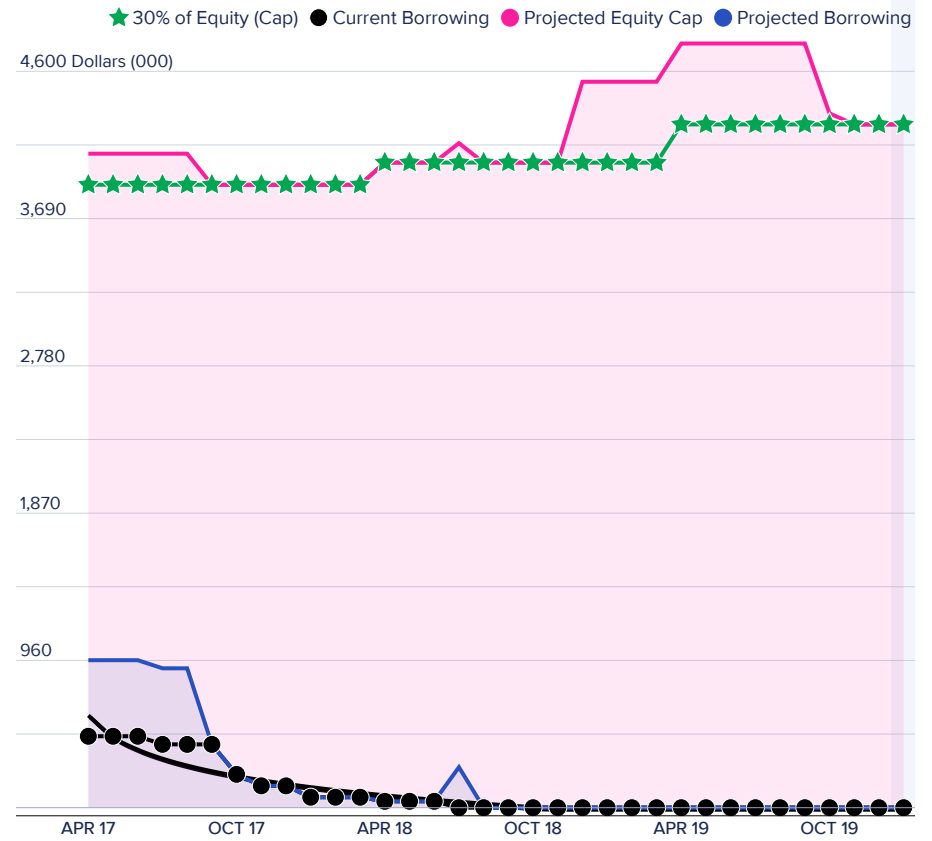
LIQUIDITY - (Cash + Debtors)



EBI > Interest Cost x2



Borrowing < 30% of Equity



Mandated Compliance

| | |
|---|------------------|
| Compliance with Minister mandated borrowing restrictions | |
| 1. EBI > interest cost x 2 | |
| YTD interest | 0.50 |
| Minimum EBI cover required (YTD interest x 2) | 1.00 |
| YTD EBI | 232,088 |
| 2. Borrowing < 30% of equity | |
| Cap based on equity | 4,363,667 |
| 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 | 4,363,667 |
| Projected Borrowing Cap | 4,363,667 |
| 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 | 4,363,656 |
| Land Reserve Balance - per Policy | 1,730,734 |