

Dubbo Residential Estate Pty Ltd

Indicative Share Valuation

	30/06/2019		30/06/2019		
	Not discounted		Net Present Value		
ASSETS					
Cash	\$	885,763	\$	885,763	
Trade debtors & other accruals	\$	28,513	\$	28,513	
Prepayments	\$	18,318	\$	18,318	
Plant & equipment less depreciation	\$	5,679	\$	5,679	
Land:					
Stage 3A land - net realisable value	\$	444,882	\$	418,969	
Stage 3B land - net realisable value	\$	479,727	\$	451,784	
Englobo land - net realisable value	\$	5,806,223	\$	4,486,616	
TOTAL ASSETS	\$	7,669,105	\$	6,295,643	
LIABILITIES					
Trade creditors & other accruals	\$	73,921	\$	73,921	
Trade creditors - estimated operating expenses to completion	\$	1,680,000	\$	1,407,886	
Trade creditors - JK Williams	\$	-	\$	-	
GST payable	\$	-	\$	-	
Tax liability payable	\$	58,173	\$	58,173	
Deferred tax	\$	6,675	\$	6,675	
Deferred tax - unsold land	\$	921,417	\$	618,547	
TOTAL LIABILITIES	\$	2,740,186	\$	2,165,202	
NET ASSETS	\$	4,928,918	\$	4,130,441	
Less allowance illiquidity	15% -\$	739,338	-\$	619,566	
ADJUSTED NET VALUE	\$	4,189,581	\$	3,510,875	
Value Per Share - Adjusted Net Assets 2019	1,915,000	\$	2.188	\$	1.833

Notes:

1. Time to completion of the land sales is estimated to be 8 years, being June 2027, based on the average number of sales over the last 2 years.
2. Net realisable value assumes that net sales and expenses increase by 2%p.a.
3. Future amounts have been discounted using a rate of 6.185%, being the Company's previous rate of borrowing.
4. Tax has been calculated at a rate of 27.5%, being the anticipated tax rate for the Company.
5. No allowance has been made for recoverability of franking credits by shareholders.
6. Assumes no further debt is required by the Company.

Disclaimer:

For internal use only. The indicative valuation has been prepared for the internal use only of the Directors of Dubbo Residential Estate Pty Ltd, who are responsible for the reliability, accuracy and completeness of the information used to prepare the indicative valuation. We disclaim all liability for any loss or damage arising from reliance upon this indicative valuation. We recommend that a valuation be obtained from a qualified valuer before making any decision in relation to the valuation of the Company.