

NTA CALCULATION

NET EQUITY	\$5,606,122
UNITS ISSUED	6,300,000
NTA PER UNIT	\$0.8898606



EXCEED CAPITAL

Level 5, 410 Queen Street
Brisbane QLD 4000
GPO Box 997
Brisbane QLD 4001
T: 07 3231 9718
F: 07 3831 2312
W: exceedcapital.com.au
AFSL: 490284
ACN: 612 185 823

Exceed Capital Pty Ltd as Trustee for SG Property Trust

Financial Statements
For the year ended 30 June 2021

Exceed Capital Pty Ltd as Trustee for SG Property Trust

For the Year Ended 30 June 2021

CONTENTS

	Page
Directors' Report	2
Directors' Declaration	3
Income Statement	4
Balance Sheet	5
Statement of Changes in Equity	6
Notes to Financial Statements	7
Independent Auditor's Report	12
Auditor's Independence Declaration	14

Exceed Capital Pty Ltd as Trustee for SG Property Trust

For the Year Ended 30 June 2021

DIRECTORS' REPORT

Your Directors of the trustee company present this report on the Trust for the year ended 30 June 2021.

Directors

The names of each person who has been a Director during the year and to the date of this report are:

Vaughan Russell Hayne

Gregory Dixon Clarke (appointed 30 September 2020)

Gavin Peter Moore (resigned 30 September 2020)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Operating Results

The profit of the Trust for the financial year amounted to \$985,329 (2020: \$179,602).

Significant Changes in State of Affairs

No significant changes in the Trust's state of affairs occurred during the financial year.

Principal Activities

The principal activities of the Trust during the course of the year was the management of the BP Travel Centre and Bulky Goods Centre (1 Spring Street and 5 Iolanthe Street) in South Grafton.

No significant change in the nature of these activities occurred during the year.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Trust, the results of those operations, or the state of affairs of the Trust in subsequent financial years.

Indemnifying Officer and Auditor

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial year, to any person who is or has been an officer or auditor of the Trustee Company or the Trust.

Proceedings on Behalf of the Trust

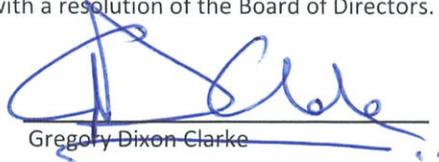
No person has applied for leave of the Court to bring proceedings on behalf of the Trust or intervene in any proceedings to which the Trust is a party.

The Trust was not a party to any such proceedings during the year.

This Report of the Directors is signed in accordance with a resolution of the Board of Directors.



Vaughan Russell Hayne



Gregory Dixon Clarke

Dated this 24th day of August 2021.

Exceed Capital Pty Ltd as Trustee for SG Property Trust

For the Year Ended 30 June 2021

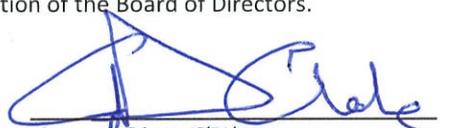
DIRECTORS' DECLARATION

The Directors of the Trustee Company declare that:

- 1 the financial statements and notes, as set out on pages 4 to 11 present fairly the Trust's financial position as at 30 June 2021 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial report;
and
- 2 in the Directors' opinion there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Vaughan Russell Hayne

Gregory Dixon Clarke

Dated this 24th day of August 2021.

Exceed Capital Pty Ltd as Trustee for SG Property Trust

For the Year Ended 30 June 2021

Income Statement

For the year ended 30 June 2021

	2021	2020
	\$	\$
South Grafton Income		
Rental Income	903,712	839,771
Outgoings Recovered	139,453	104,082
Fit-outs, Incentives & Abatements	(155,946)	-
COVID Assistance Granted to Tenants	(17,777)	(34,892)
	<u>869,442</u>	<u>908,961</u>
South Grafton Expenses		
Direct Expenses	241,247	213,551
Depreciation	178,202	203,040
	<u>419,449</u>	<u>416,591</u>
Total Net Rental South Grafton	<u>449,993</u>	<u>492,370</u>
Expenses		
Finance Costs	213,130	220,319
Management Fee from trustee company	72,980	66,090
Other	29,092	26,359
	<u>315,202</u>	<u>312,768</u>
Other Income		
Gain on Revaluation of Investment Property	850,538	-
Interest Received	-	-
	<u>850,538</u>	<u>-</u>
Net Profit / Loss attributable to unitholders	<u>985,329</u>	<u>179,602</u>

The above Income Statement should be read in conjunction with the accompanying notes.

Exceed Capital Pty Ltd as Trustee for SG Property Trust

For the Year Ended 30 June 2021

Balance Sheet

As at 30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
Current Assets			
Cash and cash equivalents	2	36,780	8,015
Trade and other receivables	3	11,659	10,610
Other Assets	4	29,362	27,115
Total Current Assets		<u>77,801</u>	<u>45,740</u>
Non-Current Assets			
Investment Property	5	11,580,000	10,717,132
Total Non-Current Assets		<u>11,580,000</u>	<u>10,717,132</u>
TOTAL ASSETS		<u>11,657,801</u>	<u>10,762,872</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	6	267,326	123,560
Borrowings	7	5,784,353	5,586,780
Total Current Liabilities		<u>6,051,679</u>	<u>5,710,340</u>
TOTAL LIABILITIES		<u>6,051,679</u>	<u>5,710,340</u>
NET ASSETS		<u>5,606,122</u>	<u>5,052,532</u>
EQUITY			
Trust Capital	8	4,026,254	4,457,993
Tax Reserve		1,579,868	594,539
Retained Earnings		-	-
TOTAL EQUITY		<u>5,606,122</u>	<u>5,052,532</u>

The above Balance Sheet should be read in conjunction with the accompanying notes

Exceed Capital Pty Ltd as Trustee for SG Property Trust

For the Year Ended 30 June 2021

Statement of Changes in Equity

For the year ended 30 June 2021

	Capital Distribution Reserve \$	Tax Reserve \$	Trust Capital \$	Retained Profit/Losses \$	TOTAL \$
2020					
Balance at 1 July 2019	(1,194,701)	414,937	6,052,398	-	5,272,634
Profit/Loss attributable to unitholders	-	-	-	179,602	179,602
Distribution to unitholders	(399,704)	-	-	-	(399,704)
Transfers to/from tax reserve	-	179,602	-	(179,602)	-
Balance at 30 June 2020	(1,594,405)	594,539	6,052,398	-	5,052,532
2021					
Balance at 1 July 2020	(1,594,405)	594,539	6,052,398	-	5,052,532
Profit/Loss attributable to unitholders	-	-	-	985,329	985,329
Distribution to unitholders	(431,739)	-	-	-	(431,739)
Transfers to/from tax reserve	-	985,329	-	(985,329)	-
Balance at 30 June 2021	(2,026,144)	1,579,868	6,052,398	-	5,606,122

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

Exceed Capital Pty Ltd as Trustee for SG Property Trust

For the Year Ended 30 June 2021

Notes to Financial Statements

1 Statement of Significant Accounting Policies

The directors of the trustee company have prepared the financial statements of the trust on the basis that the trust is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the trust deed, the information needs of the beneficiaries and for the basis of preparation of the income tax return.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the purposes of preparation.

The financial statements have been prepared on an accrual basis and are on historical costs unless otherwise stated in the notes.

The financial statements were authorised for issue on 24 August 2021 by the directors of the trustee company.

a. Investment Property

Investment property comprising the BP Retail Complex in South Grafton is held to generate rental yields and the potential for capital appreciation upon sale of the property. All tenant leases are on an arm's length basis.

Investment property is initially measured at cost and subsequently measured at fair value. The fair value of investment properties is determined annually by the directors using market information, including prices for similar properties in comparable locations and with similar yields, or an external/independent valuation.

Changes in fair value of Land & Buildings classified as investment property are recognised in profit or loss in the period in which they occur. Plant & Equipment and Low Value Pool assets classified as investment property are depreciated over the life of the asset. This depreciation is considered to be a fair representation of the change in fair value of these assets.

b. Trade and other Receivables

Trade and other receivables include amounts due from rental income performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are recognised at nominal transaction value without taking into account the time value of money.

c. Trade and other Payables

Trade and other payables, including bank borrowings and distributions payable are recognised at the nominal transaction value without taking into account the time value of money.

Exceed Capital Pty Ltd as Trustee for SG Property Trust

For the Year Ended 30 June 2021

Statement of Significant Accounting Policies

1 Statement of Significant Accounting Policies (Continued)

d. Borrowings

Borrowings are initially recognised at fair value, and subsequently measured at amortised cost.

Amortised cost is calculated as the amount at which the financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial liability. Revisions to expected future cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

e. Revenue and other Income

Revenue is measured at the value of the consideration received or receivable after taking into account any rent rebates. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax.

f. Income Tax

Under current Australian taxation legislation the profit of the trust is not subject to income tax in the trust.

g. Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable for the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from or payable to the ATO is included with other receivables or payables in the balance sheet.

Exceed Capital Pty Ltd as Trustee for SG Property Trust

For the Year Ended 30 June 2021

Statement of Significant Accounting Policies

1 Statement of Significant Accounting Policies (Continued)

h. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of these assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in expense in the period in which they are incurred.

i. Reserves

Tax Reserve

This reserve records the accumulated differences between taxable income and accounting profit. This is recognised by a transfer from retained earnings to the reserve as shown in the Statement of Changes in Equity. Where the Trust is in a taxable loss position, only the accounting profit is transferred into the reserve.

Capital Distribution Reserve

The capital distribution reserve records the total capital distributed to unitholders.

Exceed Capital Pty Ltd as Trustee for SG Property Trust

For the Year Ended 30 June 2021

Notes to the Financial Statements

	2021	2020
	\$	\$
2 Cash & Cash Equivalents		
Cash at bank	36,780	8,015
Total Cash & Cash Equivalents	<u>36,780</u>	<u>8,015</u>
3 Trade & Other Receivables - Current		
Trade Debtors	11,659	10,610
Total Trade & Other Receivables	<u>11,659</u>	<u>10,610</u>
4 Other Assets - Current		
Prepayments	29,362	27,115
Total Other Assets	<u>29,362</u>	<u>27,115</u>
5 Investment Property		
Land and Buildings	10,342,260	9,382,910
Plant & Equipment	2,008,185	1,944,857
Less Accumulated Depreciation	(826,260)	(676,029)
Low Value Pool	345,995	327,603
Less Accumulated Depreciation	(290,180)	(262,209)
Total Investment Property	<u>11,580,000</u>	<u>10,717,132</u>

The trust's investment property was revalued at 30 June 2021. Valuations have been determined by directors with reference to independent valuation reports prepared on a fair value basis (Market Approach) by Herron Todd White, an independent third party valuation services provider. The increase in value of the investment property was recognised through profit during the year.

Exceed Capital Pty Ltd as Trustee for SG Property Trust

For the Year Ended 30 June 2021

Notes to the Financial Statements

	2021	2020
	\$	\$
6 Trade & Other Payables		
Trade Creditors	133,785	84,420
Other Creditors	116,874	24,747
GST Payable	16,667	14,393
Total Trade & Other Payables	<u>267,326</u>	<u>123,560</u>

7 Borrowings

Suncorp Loan		
Total Amount Borrowed	6,061,000	6,061,000
Less ongoing contingency and offset funds balance	(276,647)	(474,220)
Total Borrowings	<u>5,784,353</u>	<u>5,586,780</u>

The loan is an interest only facility with a five year term, expiring 22 December 2021. The Trust does not have a legally enforceable right to defer principal repayment beyond 12 months and therefore has classified the loan as a current liability. However, the Directors expect the facility to be continued and the Directors are currently in negotiation with the bank to arrange an extension of the term.

8 Capital - Investors

Trust Capital - Unitholders	6,052,398	6,052,398
Less Capital Distribution Reserve	(2,026,144)	(1,594,405)
Less Capital Raising costs	-	-
Total Capital - Investors	<u>4,026,254</u>	<u>4,457,993</u>

In accordance with the constitution of the trust, section 17 and the definition of income, the distributable amount is "(a) the income for the financial year; and (b) any additional amount whether income or capital which the Trust considers appropriate for distribution in the period" unless the Trustee decides otherwise prior to the end of the financial year.

9 Trust Details

The trust was established on 12 July 2016 and purchased the South Grafton bulky goods and travel centre on 23 December 2016.

The trustee will act to sell the investment property assets of the trust after seven years from the purchase date (22 December 2023) unless the Unitholders vote that the term be extended.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE SG PROPERTY TRUST



Report on the Audit of the Financial Report

Opinion

We have audited the financial report, being a special purpose financial report, of the SG Property Trust (the "Trust"), which comprises the balance sheet as at 30 June 2021 and the income statement and the statement of changes in equity for the year then ended, notes comprising a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Trust as at 30 June 2021, and its financial performance for the year then ended in accordance with the significant accounting policies described in Note 1 to the financial report and the requirements of the Trust Deed.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to meet the requirements of the Trust Deed. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Trustee for the Financial Report

The Trustee is responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Trust Deed and the needs of the unitholders. The Trustee's responsibility also includes such internal control as the Trustee determines is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Trustee is responsible for assessing the ability of the Trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

The Trustee is responsible for overseeing the Trust's financial reporting process.

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF THE SG PROPERTY TRUST (CONT'D)**



Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.
- Conclude on the appropriateness of the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Bentleys.

Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants

Ashley Carle

Ashley Carle
Partner
Brisbane
24 August 2021



A member of Bentleys, a network of independent advisory and accounting firms located throughout Australia, New Zealand and China that trade as Bentleys. All members of the Bentleys Network are affiliated only, are separate legal entities and not in partnership. Liability limited by a scheme approved under Professional Standards Legislation. A member of Allinial Global – an association of independent accounting and consulting firms.



AUDITOR'S INDEPENDENCE DECLARATION

**TO THE DIRECTORS OF EXCEED CAPITAL PTY LTD
AS TRUSTEE FOR THE SG PROPERTY TRUST**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, there have been no contraventions of the independence requirements of any applicable code of professional conduct in relation to the audit.

Bentleys.

Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants

Ashley Carle

Ashley Carle
Partner
Brisbane
24 August 2021