

**UNIT HOLDERS 41 MCLAREN STREET TRUST**

		<b>2020</b>	<b>2019</b>
Viewaide Pty Ltd	14.78%	476,000	476,000
Bernadette Mary O Neil	7.83%	252,000	252,000
Evenquid Pty Ltd Superannuation Fund	7.83%	252,000	252,000
Wiseman Superannuation Fund	10.22%	329,000	329,000
Mc Ewen Family Trust	15.22%	490,000	490,000
Michael Harrision atf Harrision & Dengate Trust	11.65%	375,000	375,000
MAGS Superannuation Fund	3.57%	115,000	115,000
Brown Family Trust	2.83%	91,000	91,000
Leighton Kesteven Corporation Pty Limited	2.02%	65,000	65,000
Leighton Kesteven Superannuation Fund	6.68%	215,000	215,000
C Mc Murray	17.39%	560,000	560,000
		<b>100.00%</b>	<b>3,220,000</b>
		<b>3,220,000</b>	<b>3,220,000</b>

8.88per unit (valuation pages 3 financial reports)

**\$1,909,200**



# Leighton Kesteven

Leighton Kesteven Corporation Pty Ltd  
ABN 77 002 980 074  
PO Box 31, Gordon 2072.

Ref LKS - 001

24 May 2021

## Ophi Tax Accounting

Attention: Ophia van der Hoven

Re: Valuation of 41 McLaren St Property as at 30 June 2020

Dear Ophia,

We did not have a valuation prepared for the 41 McLaren St Property ("the Property") as at 30 June 2020, due to the fact that we went through a sales process for the Property with it being managed by Colliers Pty Ltd.

The directors of 41 McLaren St Trust, the owners of the Property elected to offer the Property for Sale. The Unit Holders agreed to this proposal.

The property was offered to some 179 companies/people who were given then opportunity to inspect the Property and submit a bid if they so desired (refer to attached list of people/companies approached).

The best offer we received was from Luxcon, a company owned by some Chinese.

Luxcon offered \$75m.

See unit valuation on page 3 of attached financial statements

There were some conditions which were acceptable to the Owners, however we were unable to agree that Luxcon would take control of the Planning process as the Owners were of the opinion that we had better qualified persons to undertake the process.

As such the Trustees of Leighton Kesteven Superannuation Fund No 1 are of the opinion that this is an acceptable valuation as it was an in actual market offer with relevant documentation which would have progressed to a sale if there was agreement that the directors of 41 McLaren St Trust had not insisted on retaining the planning process.

We are therefore of the opinion that a market valuation has been established.

Yours faithfully,

Also attached (last pages) 2019 valuation by Savills

Scott Leighton Smith  
Leighton Kesteven Corporation Pty Ltd as Trustees for  
Leighton Kesteven Superannuation Fund No 1

The 41 McLaren Street Trust  
Financial Statements  
30 June 2020

# **The 41 McLaren Street Trust**

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**Financial statements  
For the year ended 30 June 2020**

# The 41 McLaren Street Trust

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**ABN: 20 138 368 483**

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**For the year ended 30 June 2020**

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# The 41 McLaren Street Trust

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**ABN: 20 138 368 483**

## Income statement

For the year ended 30 June 2020

	2020 \$	2019 \$
<b>Income</b>		
Facility Fee	64,750	40,583
Interest Income	491,571	492,262
Other Revenues	39,863	30,122
<b>Rental Income</b>		
Rent Received	1,207,686	1,167,092
Outgoings and Cleaning recovered	212,511	240,865
Parking	143,274	173,136
	<b>1,563,471</b>	<b>1,581,093</b>
	<b>2,159,655</b>	<b>2,144,060</b>
<b>Expenses</b>		
Accountancy Fees	36,850	16,288
Air Conditioning Maintenance	24,001	25,103
Bad Debts	25,667	12,061
Bank Charges	430	134
Borrowing Costs	13,006	-
Cleaning	111,173	98,771
Commission	6,274	-
Consulting	5,476	12,483
Depreciation	131,889	144,461
Electricity	100,934	110,660
Elevators	14,777	11,241
Fire Protection	16,774	3,897
Gardening	3,303	2,533
Guarantee Fee	30,833	-
Insurance	23,209	24,153
Interest	485,072	505,333
Legal Costs	50,321	5,526
Management Fees	120,000	120,000
Marketing	9,951	-
Miscellaneous	1,470	8,164
Rates & Taxes	204,157	198,806
Repairs & Maintenance	40,911	148,476
Security	4,986	6,842
	<b>1,461,464</b>	<b>1,454,932</b>
<b>Net profit</b>	<b>698,191</b>	<b>689,128</b>
Retained earnings (accumulated losses) at beginning of the financial year	-	-

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The accompanying notes form part of these financial statements.

These statements should be read in conjunction with the attached compilation report of Richard Beck & Co Pty Ltd.

# The 41 McLaren Street Trust

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**ABN: 20 138 368 483**

## **Income statement**

**For the year ended 30 June 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Total available for distribution</b>	<b>698,191</b>	<b>689,128</b>
Distribution to Beneficiaries	698,191	689,128
<b>Retained earnings (accumulated losses) at the end of the financial year</b>	<b>-</b>	<b>-</b>

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The accompanying notes form part of these financial statements.

These statements should be read in conjunction with the attached compilation report of Richard Beck & Co Pty Ltd.

# The 41 McLaren Street Trust

ABN: 20 138 368 483

## Balance sheet

For the year ended 30 June 2020

	Note	2020 \$	2019 \$	
<b>Current assets</b>				
Cash and cash equivalents	3	380,966	893,840	
Trade and other receivables	4	352,765	314,432	
<b>Total current assets</b>	Trust owns 50% of property 50% of \$75mil Valuation	<b>733,731</b>	<b>1,208,272</b>	
<b>Non-current assets</b>				
Property, plant and equipment	37,500,000	5	11,968,176	17,997,831
Trade and other receivables		4	1,528,092	8,119,011
<b>Total non-current assets</b>		<b>13,496,268</b>	<b>26,116,842</b>	
<b>Total assets</b>	39,761,823	<b>14,229,999</b>	<b>27,325,114</b>	
<b>Current liabilities</b>				
Trade and other payables		6	372,542	262,395
Borrowings		7	2,758,950	9,792,018
<b>Total current liabilities</b>		<b>3,131,492</b>	<b>10,054,413</b>	
<b>Non-current liabilities</b>				
Trade and other payables		6	7,193,324	6,995,123
Borrowings		7	835,183	835,183
<b>Total non-current liabilities</b>		<b>8,028,507</b>	<b>7,830,306</b>	
<b>Total liabilities</b>		<b>11,159,999</b>	<b>17,884,719</b>	
<b>Net assets</b>	28,601,824	<b>3,070,000</b>	<b>9,440,394</b>	
<b>Equity</b>				
Unit Holders Equity	\$8.88per unit	3,220,000	3,220,000	
Asset Revaluation Reserve		-	6,370,394	
Unit Holders Premium Reserve		200,000	200,000	
Premium paid on Buy Back of Units		(350,000)	(350,000)	
<b>Total equity</b>		<b>3,070,000</b>	<b>9,440,394</b>	

The accompanying notes form part of these financial statements.

These statements should be read in conjunction with the attached compilation report of Richard Beck & Co Pty Ltd.



# The 41 McLaren Street Trust

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**ABN: 20 138 368 483**

## **Notes to the financial statements**

**For the year ended 30 June 2020**

The financial statements cover The 41 McLaren Street Trust and have been prepared in accordance with the trust deed to meet the needs of stakeholders and to assist in the preparation of the tax return.

Comparatives are consistent with prior years, unless otherwise stated.

### **1 Basis of preparation**

The unit trust is non-reporting since there are unlikely to be any users who would rely on the general purpose financial statements.

The special purpose financial statements have been prepared in accordance with the significant accounting policies described below and do not comply with any Australian Accounting Standards unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

### **2 Summary of significant accounting policies**

#### **Revenue and other income**

##### **Interest revenue**

Interest is recognised using the effective interest method.

##### **Other**

Other income is recognised on an accruals basis when the unit trust is entitled to it.

##### **Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

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These notes should be read in conjunction with the attached compilation report of Richard Beck & Co Pty Ltd.

# The 41 McLaren Street Trust

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**ABN: 20 138 368 483**

## **Notes to the financial statements**

**For the year ended 30 June 2020**

### **Property, plant and equipment**

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

### ***Depreciation***

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the trust, commencing when the asset is ready for use.

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These notes should be read in conjunction with the attached compilation report of Richard Beck & Co Pty Ltd.

# The 41 McLaren Street Trust

ABN: 20 138 368 483

## Notes to the financial statements

For the year ended 30 June 2020

	Note	2020 \$	2019 \$
<b>3 Cash and cash equivalents</b>			
Cash at Bank - Erolcene Pty Limited & Claijade Pty Limited		318,153	330,520
Cash at Bank		62,813	46,833
Term Deposit		-	516,487
		<b>380,966</b>	<b>893,840</b>
<b>4 Trade and other receivables</b>			
<b>Current</b>			
Trade Debtors		139,580	75,207
Other Debtors		213,185	239,225
		<b>352,765</b>	<b>314,432</b>
<b>Non-current</b>			
Loans - Erolcene Pty Ltd		1,528,092	8,119,011
		<b>1,528,092</b>	<b>8,119,011</b>
<b>5 Property, plant and equipment</b>			
<b>Land</b>			
Land - Incidental Acquisition Costs		60,937	60,937
Land & Building Revaluation		-	6,370,395
Land & Non Depreciable Buildings (at cost)		8,929,346	8,929,346
		<b>8,990,283</b>	<b>15,360,678</b>
<b>Buildings</b>			
Building Costs (at cost)		3,114,016	3,098,713
Less: Accumulated Depreciation		(609,898)	(679,639)
		<b>2,504,118</b>	<b>2,419,074</b>

These notes should be read in conjunction with the attached compilation report of Richard Beck & Co Pty Ltd.

# The 41 McLaren Street Trust

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ABN: 20 138 368 483

## Notes to the financial statements

For the year ended 30 June 2020

	Note	2020 \$	2019 \$
<b>Plant and equipment</b>			
Plant & Equipment (at cost)		1,185,668	1,186,904
Less: Accumulated Depreciation		(1,066,259)	(1,053,005)
		<b>119,409</b>	<b>133,899</b>
<b>Furniture and fittings</b>			
Furniture & Fittings (at cost)		901,257	310,022
Less: Accumulated Depreciation		(556,881)	(234,002)
		<b>344,376</b>	<b>76,020</b>
<b>Electrical Machinery &amp; Equipment</b>			
Electrical Machinery & Equipment (at cost)		353,857	349,789
Less: Accumulated Depreciation		(343,867)	(341,629)
		<b>9,990</b>	<b>8,160</b>
		<b>11,968,176</b>	<b>17,997,831</b>
<b>6 Trade and other payables</b>			
<b>Current</b>			
Clearing account		5,300	27,679
Other Creditors		249,803	174,382
Trade Creditors		117,439	60,334
		<b>372,542</b>	<b>262,395</b>

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These notes should be read in conjunction with the attached compilation report of Richard Beck & Co Pty Ltd.

# The 41 McLaren Street Trust

ABN: 20 138 368 483

## Notes to the financial statements

For the year ended 30 June 2020

	Note	2020 \$	2019 \$
<b>Non-current</b>			
<b>Unitholders Loans</b>			
Viewade Pty Limited		1,168,996	1,139,698
Bernadette O'Neill		618,890	603,369
Evenquid Pty Limited Superannuation Fund		618,880	603,369
Mc Ewen Family Trust		1,203,379	1,173,219
Michael W Harrison atf Harrison Dengate Family Trust		1,019,020	995,938
Loans - Kirsten L Brown		173,897	173,897
Leighton Kesteven Corporation Pty Ltd		202,292	198,292
Leighton Kesteven Superannuation Fund		485,353	472,120
Catherine McMurray		1,375,290	1,340,823
Wiseman Superannuation Fund		93,326	73,076
MAGS Superannuation Fund		184,360	177,282
Brown Family Trust		49,641	44,040
		<b>7,193,324</b>	<b>6,995,123</b>
		<b>7,193,324</b>	<b>6,995,123</b>
<b>7 Borrowings</b>			
<b>Current</b>			
Sandhurst Loan		2,758,950	7,942,018
Balmain Partners		-	1,850,000
		<b>2,758,950</b>	<b>9,792,018</b>
<b>Non-current</b>			
Loans - Silkjoe Pty Ltd		120,526	120,526
Loans - Trelani Pty Ltd		118,468	118,468
Loans - James Headley Wiseman Family Trust		596,189	596,189
		<b>835,183</b>	<b>835,183</b>
		<b>835,183</b>	<b>835,183</b>

These notes should be read in conjunction with the attached compilation report of Richard Beck & Co Pty Ltd.

# The 41 McLaren Street Trust

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**ABN: 20 138 368 483**

## Directors' declaration

The directors of the trustee company have determined that the unit trust is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 2 to the financial statements.

The directors of the trustee company declare that:

1. The financial statements and notes present fairly the unit trust's financial position as at 30 June 2020 and its performance for the year ended on that date in accordance with the accounting policies described in Note 2 to the financial statements;
2. In the directors' opinion there are reasonable grounds to believe that the unit 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 of the trustee company.

Director \_\_\_\_\_

Director \_\_\_\_\_

Dated

# The 41 McLaren Street Trust

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**ABN: 20 138 368 483**

## Compilation report

We have compiled the accompanying special purpose financial statements of The 41 McLaren Street Trust which comprise the balance sheet as at 30 June 2020, and the income statement for the year then ended, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is to provide information relating to the performance and financial position of the trust that satisfies the information needs of the directors of the trustee company and of the unit holders.

### *The responsibility of the directors*

The directors of the trustee company are solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the basis of accounting used is appropriate to meet their needs and for the purpose that the financial statements were prepared.

### *Our responsibility*

On the basis of information provided by the directors of the trustee company, we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting as described in the notes to the financial statements and APES 315: Compilation of Financial Information.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the basis of accounting described in the notes to the financial statements. We have complied with the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants.

### *Assurance disclaimer*

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a conclusion on these financial statements.

The special purpose financial statements were compiled exclusively for the benefit of the directors of the trustee company who are responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility for the contents of the special purpose financial statements.

Firm                      Richard Beck & Co Pty Ltd

Address                Level 57  
                              MLC Centre, Martin Place  
                              SYDNEY NSW 2000

Date



Signed

\_\_\_\_\_  
Angela Behlevaras



# 41 McLaren Street, North Sydney, NSW

For Sandhurst Trustees (ATF Bendigo & Adelaide Bank Group)

9 August 2019

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savills  
valuation report

[savills.com.au/valuations](https://www.savills.com.au/valuations)

**Savills Australia**  
Level 25  
Governor Phillip Tower,  
1 Farrer Place  
Sydney NSW 2000  
(02) 8215 8888

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# Executive Summary 2019

## 41 McLaren Street, North Sydney, NSW

<b>Reliant Party</b>	<b>Sandhurst Trustees (ATF Bendigo &amp; Adelaide Bank Group)</b>
<b>Applicant</b>	Erolcene Pty Ltd & Claijade Pty Ltd
<b>Interest Valued</b>	100% Freehold subject to existing tenancies
<b>Valuation Purpose</b>	First mortgage security purposes
<b>Property Description</b>	The subject property comprises a heritage listed, 7 storey commercial office building constructed circa 1972. The building is configured with a ground floor café, office accommodation from Ground to Level 6 and basement parking for 90 vehicles. The building has been periodically refurbished and provides an average standard of internal accommodation.
<b>Car Parking</b>	90 lettable bays (ratio of 1 space per 86m <sup>2</sup> )
<b>Lettable Area</b>	7,700.80m <sup>2</sup>
<b>Site Area</b>	2,359m <sup>2</sup>
<b>Zoning</b>	'B4 – Mixed Use' under the North Sydney Local Environmental Plan 2013, gazetted on 2 August 2013
<b>Valuation Approach</b>	Capitalisation Approach, Discounted Cash Flow and Direct Comparison
<b>Date of Inspection &amp; Valuation</b>	9 August 2019
<b>Current Vacancy Rate</b>	7.84% (604.0m <sup>2</sup> )
<b>WALE (by Income)</b>	2.71 years
<b>Major Tenant Comment</b>	The major tenant is McLaren Street Leasing (Volt) with 24.1% of net passing income and 31.6% of lettable area
<b>Net Passing Income</b>	\$2,262,891 (avg office \$300/m <sup>2</sup> )
<b>Net Mkt Income Used for Valuing</b>	\$4,469,893 (avg office \$519/m <sup>2</sup> )
<b>Adopted Outgoings</b>	\$1,044,180 (\$135.59/m <sup>2</sup> )
<b>Passing Initial Yield (PIY)</b>	3.59%
<b>PIY (after abatements)</b>	3.54%
<b>Equated Market Yield</b>	6.09%
<b>Quoted Capitalisation Rate</b>	6.00%
<b>Quoted Discount Rate</b>	6.75%
<b>Terminal Yield</b>	6.25%
<b>Rental Growth Projections</b>	Office: 3.72% net (average compound rate)
<b>Capex Allowance (DCF)</b>	\$5,195,647 (FV \$675/m <sup>2</sup> )
<b>Internal Rate of Return (IRR)</b>	10 Year IRR: 6.71%      Partitioned IRR: Cashflows: 28%; Terminal Value: 72%
<b>\$Rate/m<sup>2</sup> of Lettable Area</b>	\$8,181/m <sup>2</sup>
<b>Adopted Market Value</b>	<b>\$63,000,000 (*)</b> <b>50%\$31,500,000</b>

Continued overleaf.