BUSINESS CASE FOR MARINA

LOCATION: Lot 519, DP 729020, Brisbane Water Drive, Koolewong

APPLICANT: Gemsted Pty Limited

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Prepared: 24 August 2010

Background

The Applicant originally took up the lease on the site in 1988 and commenced construction works in 1990. A two storey commercial building was completed in 1991 but due to various local government regulations, the property was not in a position to commence generating revenue until September 1999.

The lease was renewed for 20 years in 2006.

In 2001, the Applicant determined that there was very little access to jetties on the Koolewong side of the Brisbane Water. As a result, and after having satisfied all environmental and governmental requirements, a 25 metre wharf was constructed. The addition of a publicly accessible jetty has provided the following benefits to the community:

- The commercial anchor tenant of the building (a restaurant) has been able to offer the use of the jetty for wedding parties as well as obtaining an additional source of revenue from ferry patrons deciding to have a meal break,
- The local charter boat and ferry operator is able to offer various functions (eg. Weddings) being held on the vessel with the catering provided at the end of the function at the Restaurant,
- Recreational boat users are able to access the restaurant facilities

The flow-on social and economic benefits as a direct correlation to the implementation of the wharf made it apparent to the Applicant that there is a serious lack of walk on walk off mooring facilities on the Brisbane Water.

There are 1,173 private moorings located in 29 locations including 15 locations with 796 moorings in the 'Broadwater' section of the Brisbane Water. The Koolewong/Murphys Bay area has a waiting list for moorings because of its protected position.

Accordingly, the Applicant concluded that the site was ideal to establish a marina as an extension to the existing jetty. Due the design of a more efficient parking layout and a review of the calculations relating floor area of the restaurant, the number of car parks can now support a 50 berth marina.

In order to establish the foundations of developing the marina, a NPV (net present value) analysis was performed over the remaining tenure of the lease (annexure A) for the whole site. Due to the reconfiguration/recalculation of the car parking area and the subsequent increase in the number of berths allowable, the cost of construction of the marina has increased, which means that the financial risk of the leaseholder is greater.

The Applicant has determined that a rate of return (ROR) on investment of 20.0% is now desirable (previously a ROR of 13% was acceptable). The NPV calculations show that based on a lease term of 25 years, the return is estimated at 15.4%. It is estimated that the marina installation will cost approximately \$1.93 million. However, at the end of the lease period there is no guarantee that the Applicant would be treated favourably for a new lease, hence the higher ROR requirement.

Comparing this investment with an investment in freehold land giving a net 10% return (commercial properties have been selling for this return in the local area of recent times), at the end of the lease period for the latter, the Applicant would still have the freehold property to sell. On this basis, the Applicant is seeking an extension of the lease period from the 25 years that you have mentioned to 40 years.

The Case for Change

Whilst there are numerous swing moorings in the Brisbane Water, there are only four small marinas servicing the whole of the Brisbane Water. Of those, three are in the southern part of the Brisbane Water, not far from Pittwater. Only the new marina at the Gosford Sailing Club services the northern part of the Brisbane Water.

Despite this, the demand for permanent mooring facilities in a marina environment is growing. When the Gosford Sailing Club constructed its 29 berth marina approximately two years ago, the berths were very quickly snapped up and there is a waiting list for berths to become available. These berths were only offered to Sailing Club members and not the general public. The berths at the Applicant's marina would be available to the general public.

There is a general shortage of storage facilities for boats in NSW. NSW Maritime is sufficiently concerned that it has appointed an independent firm to prepare a comprehensive Boat Ownership and Storage Study for NSW. The aim of the study is to outline the statistics and demographics of current boat ownership and storage and forecast future demand for both quantity and types of boat storage, based on local, national and international trends and population and economic forecasts.

The study will build on existing work and examine issues such as vessel ownership numbers, storage trends, increasing waterway usage, regional demographics, changing vessel types, permissible structures and planning controls. The study will also detail current and forecast demand for boat storage on different waterways including potential regional demand for on-water storage, dedicated dry stack storage facilities and boat ramps.¹

This study is due for publication in October 2009 but has not been released at the date of this report. However, given that NSW Maritime is sufficiently concerned as to the adequacy of boat storage in general to commission the study, and the fact that there are waiting lists for moorings (particularly in the area of the proposed marina) it is likely that the report will show that there is inadequate boat storage in NSW.

In addition, the NSW Maritime Corporate Plan 2009 – 2012 identifies one of its organisational priorities as:

Maritime Infrastructure – improve public access to waterways, including access for people with disabilities, ensure safe public ferry wharves, and encourage and promote maritime precinct developments which meet community expectations and help create maritime related jobs²

The priority action areas identified in the NSW Maritime Corporate Plan 2009 -2012 include:

Maritime Infastructure

- Work with Local, State and Federal governments to support the retention and expansion of working harbours with vibrant commercial and recreational boating sectors
- Ensure planning instruments and policies have regard for the community's need for maritime infrastructure and cater for ongoing growth in boating and water sports
- Review property and planning policies, procedures and instruments to support working harbour and boating infrastructure needs and reduce red tape and duplication
- Identify new maritime site/infrastructure opportunities

¹ <u>www.maritime.nsw.gov.au</u> > what's happening

² NSW Maritime Corporate Plan 2009 - 2012, page 5

- Ensure safe public ferry wharves across the State
- Work with the community to improve passive boating facilities³

The lease site is located approximately half way between Gosford and Woy Woy. The area is predominately residential with very little commercial activity. The existing restaurant along with the offices and marina facility will provide employment opportunities for an area which has virtually no other commercial activity. The marina will also provide the opportunity for marine related jobs, one of the Governments stated objectives.

³ NSW Maritime Corporate Plan 2009 – 2012, pages 8-9

Information about the Proposal

The Applicant proposes to construct a 50 berth marina, providing for various size berths from 10 metre to 25 metre. There are no other marina facilities on the Central Coast that can accommodate larger vessels. There is a demand for such larger vessel accommodation locally which makes this proposal attractive.

Due to constraints from available parking it is not possible to build a bigger marina, even though the area is in desperate need of marina facilities. Essentially, it will be a 'lifestyle' marina. However, despite this, the design of the marina will be such that there is a 124.5 metre pontoon that will be available for public access.

The proposed marina will be constructed with a modern floating system that respects the new ambience and services that are incorporated into modern marina arm design. An existing car park surrounding the commercial building will be re-configured to provide additional parking to meet the requirements of the local council and Australian Standards.

The outer marina arm will be in the deepest part of the northern region of Brisbane Water which makes it an ideal location for access by vessels with deep draughts. There is no other deep draught public access facility in the Brisbane Water. The public access jetty and the visitors wharf at Gosford which are both owned by the Gosford City Council will only permit shallow draught vessels to be berthed. In addition, that jetty has a 20 minute time limit and the visitors wharf is only for temporary stays by visiting vessels. Locally owned vessels are not permitted to remain at either of these locations.

Due to the depth of the water at the proposed marina and the proximity to the Gosford District Hospital, the Applicant's marina will provide easy access for emergency services. In recent years, the main Central Coast – Sydney highway has been closed a number of times by fires, sometimes for days. The only way to and from Sydney was via the water but the wharves at Ettalong and Patonga could not cope with the demand from potential passengers. The water is too shallow at Ettalong to allow deep draught vessels to berth.

In times of other emergencies when residents had to flee by water, there were no jetties or wharves with sufficient water depth to allow large vessels to manoeuvre to berth. The proposed marina site at Murphys Bay/Koolewong is protected from the southerly and westerly winds which cause other water access points (eg public wharf at Gosford) to be dangerous. This is the main reason why there is currently a waiting list for mooring in this area.

The proposed marina is located on Brisbane Water Drive, one of only two access roads to the Woy Woy peninsular. In recent years, the other access road (Woy Woy Road) has been closed by fire and landslip, making Brisbane Water Drive the only way in and out of the peninsular. In fact, the recent landslip meant that half of the road was closed for a period of approximately 6 months.

If a fire or other emergency had occurred during the time of this road closure, Brisbane Water Drive alone would not have coped with both the exodus of residents and the arrival of emergency services. A marina with deep water depth and an area that will give large vessels the ability to easily manoeuvre would give residents of the peninsular an escape route. Whilst there are a number of private jetties in the Brisbane Water, they do not have deep water access which means that only shallow draught vessels can access them.

The existing jetty is only 1 metre wide and does not have a T section. It is therefore unsuitable for deep draught vessels to access in an emergency. The lack of a T section means that loading passengers could not be done safely or efficiently in a time of crisis.

Financial Appraisal

Refer to Annexure A for the cash flow projection and net present value (NPV) analysis.

General

In determining the berthing fees receivable, an average of the fees currently being charged by other marinas within the local area has been taken and the generally accepted vacancy factor of 13% has been applied.

At present, the upstairs office area is not currently leased, mainly as a result of two contributing factors. The first factor resulted from the time taken to renew the existing lease back in 2004 - 2006. Many of the tenants who were previously renting office space on the first floor needed assurances going forward that they could secure a long term lease. The head lessee was unable to provide any assurances about future occupancy until the lease was renewed in 2006 so the businesses sought alternative office premises that could provide security of tenure.

The second factor was a result of the change in economic conditions which has been experienced over the past 2 years.

The Applicants believe that once the marina project is completed, the upstairs office area will be highly sought after, as at present there is no office space available for marine related activities on the Brisbane Water itself. Also, the fact that the Brisbane Water does not have any other commercial premises available for lease at a marina or close to the water will give the Applicant a distinct advantage.

As previously advised, there is virtually no other commercial activity in this part of the Brisbane Water which gives the development a further uniqueness.

EBITDA

The Applicant has had a positive EBITDA for the past five fiscal years. However, the completion of the marina will deliver a much stronger EBITDA as evidenced by the projections in Annexure A. In fact, after the marina comes on line in 2011, EBITDA increases by 1025%.

Going forward, EBITDA continues to rise. Post marina completion EBITDA increase projections are as follows, using 2010 as the base year:

٠	5 years (2015)	-	1103%
٠	10 years (2020)	-	1350%
٠	15 years (2025)	-	1235%
٠	20 years (2030)	-	1751%

Net Present Value (NPV)

The net present value calculation has been performed on the entire site and not just the marina. It is expected that the marina will cost \$1,934,620 to complete, including reconfiguration of the car parking area. Additionally, there is \$852,378 of undepreciated capital costs incurred on the original lease site that need to be applied over the remaining period of the lease. The total capital outlay for the purposes of performing the NPV calculation is therefore \$2,786,998. In performing the NPV analysis on the advised lease term of 25 years at a rate of return of 20.0%, there is a negative return on the investment. A positive return on the investment is achieved at a rate of return of 15.4%. Given that this approximates the current cost of long term finance and interest rates are set to rise, there is not a great incentive to make the capital investment, particularly given that there is no asset to sell at the end of the lease term.

However, if the term of the lease is extended by a further 15 years to take the term up to a 40 year life, whilst the desired rate of 20% still shows a negative return on investment, the project gives a positive return at a rate of 17.22%.

At the end of the lease period there is no guarantee that the Applicant would be treated favourably for a new lease. Comparing this investment with an investment in freehold land giving a net 10% return (commercial properties have been selling for this return in the local area of recent times), at the end of the lease period for the latter, the Applicant would still have the freehold property to sell.

On this basis, the Applicant is seeking an extension of the lease period from the 25 years that you have mentioned to 40 years. This will not put them in the same position as if they invested in freehold property, but will give them a longer period to recoup their initial investment.

The Applicant is concerned that for the capital outlay required to provide this important public facility, the return over a 25 year lease period may not be sufficient to proceed. Accordingly, the Applicant seeks to increase the term of the lease from 25 to 40 years which would make the project more economically viable.

Conclusion

The Applicant has consistently demonstrated through its development of the original lease site that it has the financial and commercial capacity to both meet the capital costs of developing the marina and to fulfil all future obligations to the Crown such as rent, security and maintenance of the lease site. It has already demonstrated its commitment to the Crown and the lease site through the existing development of the lease facilities and this will continue.

The Applicant's previous experience, its strong financial foundation since the original grant of the lease and going forward, and the level of capital investment previously undertaken, make the Applicant the logical choice to develop and operate this much needed Marina.

GEMSTED UNIT TRUST

NET PRESENT VALUE CALCULATIONS

Prepared: 24.8.10

MARINA INVESTMENT																																									
													Years to ru	n on existi	ng lease																		New	/ lease perio	bc						
	CAPITAL	1	2	3	4		6	7	8	9	10		12	13	14				18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40
1	OUTLAY	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Income: Rent & OG - restaurant		106.617	100.017	112.110	116.504	110.000	123.599	107 207	121.107	135.060	120 111	142.005	147 500	150.011	156.571	1/10/0	1// 10/	171.000	17/ 000	101 500	186.954	192.563	198.340	204.290	010 410	216.731	223.233	229.930	236.828	243.933	251.251	258.788	266.552	274.549	282.785	291.269	300.007	309.007	318.277	327 825	337.660
Rent & OG - upstairs			61.800	63.654	65.564	67.531	69.556	71.643			78.286			85.546						102,146	105,210	192,363	176,340	204,290	118.415	121.968		129.395	133.277	137.276	141.394	145.636	150.005	154.505	159.140	163.914	168.832	173.897	179 114		190.022
Berthing fees		410.083		435.057		461.552	475.399			519,481					602.221							740.656	762.876	785.762		833.615		884.382			966.388									1.260.917 1.	
beining rees		410,000	422,300	433,037	440,107	401,002	4/3,3//	407,001	304,331	517,401	333,000	331,110	307,031	004,001	002,221	020,200	000,070	000,000	077,000	070,137	/17,005	740,000	/02,0/0	/03,/02	007,333	033,013	000,020	004,302	/10,/13	730,241	700,300	773,300	1,023,241	1,000,770	1,007,070	1,120,300	1,133,710	1,100,333	1,224,171	1,200,717 1	270,743
-		576,701	594,002	611,822	630,176	649,082	668,554	688,611	709,269	730,547	752,463	775,037	798,288	322,237	846,904	872,311	898,481	925,435	953,198	981,794	,011,248	1,041,585	1,072,833	1,105,018	1,138,168	1,172,313	1,207,483	1,243,707	1,281,019	1,319,449	1,359,033	1,399,804	1,441,798	1,485,052	1,529,603	1,575,491	1,622,756	1,671,439	1,721,582	1,773,229 1,	,826,426
-																																									
Expenses: Initial Marina cost	2.786.998																																								
Bank charges	2,700,770	180	180	180	180	180	200	200	200	200	200	220	220	220	220	220	240	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263
Cleaning & gardening		11 000	11.330	11 670	12.020	12.381	12.752	13 135	13 529	13 934	14 353	14 783	15.227	15 683	16 154	16 638	17 138	17 652	18 181	18 727	19 289	19 867	20 463	21 077	21 709	22.361	23.032	23 723	24 434	25 167	25.922	26 700	27.501	28.326	29 176	30 051	30 952	31 881	32 837		34 837
Electricity		5.000	5.050	5.101	5,152	5.203	5.255	5.308	5.361	5.414	5.468	5.523	5.578	5.634	5.690	5.747	5.805	5.863	5.922	5.981	6.041	6.101	6.162	6.224	6.286	6.349		6.476	6.541	6.606	6.673	6.739	6.807	6.875	6,943	7.013	7.083	7.154	7.225	7.298	7.371
Filing fees		212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235
Insurance		55,000	56,650	58,350	60,100	61,903	63,760	65,673	67,643	69,672	71,763	73,915	76,133	78,417	80,769	83,192	85,688	88,259	90,907	93,634	96,443	99,336	102,316	105,386	108,547	111,804	115,158	118,613	122,171	125,836	129,611	133,499	137,504	141,630	145,878	150,255	154,762	159,405	164,187	169,113	174,186
Land tax		8,083	8,326	8,576	8,833	9,098	9,371	9,652	9,942	10,240	10,547	10,863	11,189	11,525	11,871	12,227	12,594	12,972	13,361	13,762	14,174	14,600	15,038	15,489	15,953	16,432	16,925	17,433	17,956	18,494	19,049	19,621	20,209	20,816	21,440	22,083	22,746	23,428	24,131	24,855	25,600
Lease costs - land (lands)		10,587	10,905	11,232	11,569	11,916	12,274	12,642	13,021	13,412	13,814	14,229	14,655	15,095	15,548	16,014	16,495	16,990	17,499	18,024	18,565	19,122	19,696	20,286	20,895	21,522	22,168	22,833	23,518	24,223	24,950	25,698	26,469	27,263	28,081	28,924	29,791	30,685	31,606	32,554	33,530
Lease costs - marina (lands)		5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720	6,921	7,129	7,343	7,563	7,790	8,024	8,264	8,512	8,768	9,031	9,301	9,581	9,868	10,164		10,783	11,106	11,440	11,783	12,136	12,500	12,875	13,262	13,660	14,069	14,491	14,926	15,374	15,835
Legal fees		10,000						5,000					5000					5000					5000				3000														
Management fees - building		12,000	12,360	12,731	13,113		13,911	14,329	14,758		15,657	16,127		17,109	17,622	18,151	18,696	19,256	19,834	20,429	21,042	21,673	22,324	22,993	23,683	24,394		25,879	26,655	27,455	28,279	29,127	30,001	30,901	31,828	32,783	33,766	34,779	35,823	36,897	38,004
Management fees - marina		60,000 200	61,800 206	63,654	65,564	67,531 225	69,556 232	71,643		76,006 253	78,286 261	80,635	83,054 277	85,546	88,112	90,755	93,478	96,282 321	99,171 331	102,146	105,210	108,367	111,618	114,966	118,415 395	121,968		129,395 431	133,277	137,276	141,394 471	145,636	150,005	154,505	159,140	163,914 546	168,832 563	173,897	179,114	184,487	190,022
Printing & stationery Professional fees		4.000	4.120	212 4.244	219 4.371	4.502	232 4 637	239 4.776	246 4 919		5.219	269 5.376	5.537	285 5.703	294 5.874	303 6.050	312 6.232	6.419	6.611	340 6.810	7.014	7.224	372 7.441	383 7.664	7.894	407 8.131		8.626	444 8.885	458	9.426	485 9.709	10.000	515 10.300	530 10.609	10.928	11.255	11.593	11.941	12.299	633 12.668
Protessional tees Rates		4,000	4,120	4,244	4,3/1	4,502	4,63/	4,776	4,919		5,219	5,376	5,537 8,305	8.555	5,874	6,050 9.076	6,232 9.348	6,419 9.628	9,917	6,810	10.521	10.837	11.162	11,497	11.842	8,131	8,3/5	12.940	8,885	9,152	9,426	9,709	15.000	15,450	10,609	16,391	16,883	17,390	17,941	12,299	12,668
Water		4.000	4.320	4.666	5.039	5.442	5.877	6.347	6.855		7,827			10.073	10.878					15,984	17,263	18.644	20,135	21.746	23,486	25.365		29.585	31,952	34,508	37.269	40.251	43,471	46,948	50,704	54,761	59,141	63.873	68.983	74.501	80.461
Repairs & maintenance - annu	al	15.000		15.914	16.391	16.883	17.389					20,159							24,793		26.303	27.092	27,904	28,742	29.604	30,492		32.349	33.319	34,319	35,348	36,409	37.501	38.626	39,785	40,979	42.208	43,474	44,778		47.505
R&M - additional building						5,791					6.708					124.619					9.004					10.432					194,133					14.009					
R&M - additional marina			15,911			23,180	29,845								22,672						18,034			59,175						35,303		62,452				42,147					
Security		2,500	2,575	2,652	2,732	2,814	2,898	2,985	3,075	3,167	3,262	3,360	3,461	3,564	3,671	3,781	3,895	4,012	4,132	4,256	4,384	4,515	4,651	4,790	4,934	5,082	5,234	5,391	5,553	5,720	5,891	6,068	6,250	6,438	6,631	6,830	7,035	7,246	7,463	7,687	7,918
	2,786,998							243,186														367,230				427,566			459,615		684,818									664,569	
Net profit/(loss)	- 2,786,998	367,938	373,276	400,760	412,663	395,935	407,632	445,425	463,739	477,428	484,793	505,948	515,818	536,101	529,134	443,324	584,502	596,532	619,021	636,982	628,386	674,356	688,788	654,555	734,191	744,748	773,706	798,778	821,404	809,288	674,215	830,229	917,596	943,099	969,195	939,730	1,023,178	1,051,071	1,079,565	1,108,660 1	,138,354
Present value Inital cost NET PRESENT VALUE	25 year lea Desirable 1 20.00% 2,113,562 - 2,786,998 - 673,436	reak even 15.40% 2,787,661	_	30 year lea Desirable B 20.00% 2,138,050 2,786,998 648,948	reak even 15.76% 2,787,973	Ī																																			
Assumptions: 1. Rent & costs increased by C 2. Electricity doubled in year M 3. Insurance increased by 50% 4. Land tax calculated at 1.8% 5. Marina management fees in 6. Council will charge addition 7. Required rate of return on in	tarina comes to cover add on land value include liability al for Tourism	increased increased insurance for evy - percer	ual increa iability. by CPI ea or manage ntage of v	se thereafte Annual incre ch year. Init r vater charge	er ease there ial land va	after	rate	3% 1% 3% 490,500 10,000 5%																																	

GEMSTED PTY LIMITED

PROJECTED COSTS FOR MARINA CONSTRUCTION

LOT 519, BRISBANE WATER DRIVE, KOOLEWONG

Capital costs of construction:	
Pre approval costs	6,620
Marina jetties with 50 berths	1,293,000
Pump out facilities	15,000
Water, 3 phase power	5,000
Water tank	10,000
Consultancy, legal, accounting, surveys, architect, DA & council,	
environmental study	300,000
Reconfigure parking area	75,000
Widen jetty	35,000
Security gate & camera	15,000
Ramp	20,000
Fire hydrant	150,000
Contingency	10,000
Total estimated construction cost	1,934,620
Original building costs, undepreciated	
Buildings	672,769
Jetty	8,589
Landscaping	11,230
Lease & permissive occupancy	159,790
Total undepreciated capital costs	852,378
TOTAL CAPITAL OUTLAY FOR NPV CALC	2,786,998

GEMSTED PTY LIMITED

Projected Berth Income

1 2 3 4 5 6 7 8 9 10	10m 580 580 580 580 580 580 580 580	12m 680 680	14m	16m	18m	20m	25m	Annual 6,960 6,960 6,960 6,960 6,960 6,960 6,960 8,160 8,160
11 12 13 14 15 16 17 18 19 20 21 22 23 24		680 680 680 680 680 680 680 680 680 680	780 780					8,160 8,160 8,160 8,160 8,160 8,160 8,160 8,160 8,160 8,160 8,160 8,160 9,360 9,360
25 26 27 28 29 30 31 32 33 34 35 36 37			780 780 780 780 780 780 780 780 780 780	880 880 880				9,360 9,360 9,360 9,360 9,360 9,360 9,360 9,360 9,360 9,360 10,560 10,560 10,560
37 38 39 40 41 42 43 44 45 46				880 880 880 880 880	980 980 980 980 980			10,560 10,560 10,560 10,560 10,560 11,760 11,760 11,760 11,760

12

47 48 49 50		1100 1100 1300 1300	13,200 13,200 15,600 15,600
Annual berth fees based on full occupancy Vacancy rate	13%		471,360 61,277 410,083
Per month berth fees			34,174

MAINTENANCE COSTS

Maintenance costs: Maintenance - Marina General maintenance & ropes	Current \$ 10,000	Future \$ @ 3% CPI pa	10,000	
- Year 4 - Year 5 (jetty deck) - Year 10 (jetty deck) - Year 15 (incl jetty deck) - Year 20 - Year 25 - Year 30 - Year 35 - Year 40 Total ongoing maintenance	5,000 5,000 80,000 5,000 5,000 80,000 5,000	\$5,791.06 \$6,708.12 \$124,618.79 \$9,003.69 \$10,432.43 \$194,133.42 \$14,008.85		cleats etc cleats etc replace deck
Additional estimated expenditure over term Maintenance - Building - General	of lease 5,000	pa	5,000	
 Year 2 (repaint roof) Year 5 (bathrooms etc) Year 6 (repaint & replace guttering) Year 14 (repaint etc) Year 20 Year 23 (repaint & repaint roof) Year 29 Year 31 (repaint & replace guttering) Year 35 	15,000 20,000 25,000 15,000 30,000 15,000 25,000 15,000	\$15,911.47 \$23,180.17 \$29,844.84 \$22,671.76 \$18,034.24 \$59,175.14 \$35,303.26 \$62,452.01 \$42,147.47		
Total additional maintenance	170,000	· <u> </u>	15000	_

Total maintenance

15,000

GEMSTED UNIT TRUST

PROFIT AND LOSS STATEMENT (ACTUAL)

	2010	2009	2008	2007	2006	2005
Income:						
Rent & outgoings	98,096	103,512	95,103	93,108	87,347	87,563
Rent oustanding	10,919	-	-	-	-	-
Interest received	1,794	1,501	998	-	-	-
-	110,809	105,013	96,101	93,108	87,347	87,563
Expenses:						
Advertising	-	-	15,074	-	-	
Bank charges	146	163	171	180	181	176
Cleaning	6,660	6,425	7,080	6,161	7,246	4,794
Electricity	1,095	1,290	1,623	1,386	1,114	1,207
Fees & permits	-	-	-	332	337	624
Filing fees	212	212	212	212	212	212
Insurance	14,362	14,280	14,050	14,213	13,720	12,900
Land tax	7,848	13,283	10,869	-	-	-
Lease costs	10,522	10,279	2,146	14,870	7,409	6,478
Legal fees	-	409	900	3,462	8,269	11,250
Management fees	12,000	12,000	12,000	12,000	12,000	12,000
Printing & stationery	-	-	60	1,220	66	4
Professional fees	8,356	2,862	3,300	5,086	950	1,440
Rates	4,600	4,381	4,052	3,357	3,608	3,917
Repairs & maintenance	8,857	3,433	4,557	16,110	5,280	3,980
Security	260	3,902	4,204	4,066	4,298	3,566
	74,918	72,919	80,298	82,655	64,690	62,548
EBITDA	35,891	32,094	15,803	10,453	22,657	25,015