

J BARBARO & SONS STAFF SUPERANNUATION FUND
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

	2011	2010
	\$	\$
Investments		
Fixed Interest Securities (Australian)	27,000.00	28,942.48
Plant and Equipment (at written down value)	341.92	427.40
Real Estate Properties (Australian)	376,865.00	128,865.80
Shares in Listed Companies (Australian)	20,374.60	19,433.82
	424,581.52	177,669.50
Other Assets		
ANZ Bank	19,839.13	65,912.53
National Bank 085-483 47 285 5736	1,442.11	4,737.91
Westpac Business Flexi	7.48	7.48
WBC Business Max-i Direct 16-2545	44,115.22	41,393.94
Sundry Debtors	2,114.08	341.18
Income Tax Refundable (Note 7)	2,431.72	-
	69,949.74	112,393.04
Total Assets	494,531.26	290,062.54
Less:		
Liabilities		
Income Tax Payable (Note 7)	-	156.98
PAYG Payable	716.00	1,170.00
Deferred Tax Liability (Note 7)	37,636.75	5,938.43
Sundry Creditors	38,824.16	-
	77,176.91	7,265.41
Net Assets Available to Pay Benefits	417,354.35	282,797.13
Represented by:		
Liability for Accrued Benefits (Notes 2, 3, 4)		
Barbaro, Anthony John	144,774.62	88,210.20
Barbaro, Mark Joseph	99,887.60	61,051.21
Barbaro, Steven James	110,884.37	96,879.80
Gabbusch, Donna Marie	61,807.76	36,655.92
	417,354.35	282,797.13

The accompanying notes form part of these financial statements

J BARBARO & SONS STAFF SUPERANNUATION FUND
DETAILED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

	2011	2010
	\$	\$
Investments		
Fixed Interest Securities (Australian)		
Angas Securities	27,000.00	28,942.48
	27,000.00	28,942.48
Plant and Equipment (at written down value)		
Hoist	341.92	427.40
	341.92	427.40
Real Estate Properties (Australian)		
Port Wakefield Property - Lot 2129	48,365.00	39,830.00
Davis & Hopkins Street	328,500.00	89,035.80
	376,865.00	128,865.80
Shares in Listed Companies (Australian)		
OM Strategic Investments Limited	8,181.60	8,027.20
SPDR S & P/ASX 50 Fund	12,193.00	11,406.62
	20,374.60	19,433.82
	424,581.52	177,669.50
Other Assets		
ANZ Bank	19,839.13	65,912.53
National Bank 085-483 47 285 5736	1,442.11	4,737.91
Westpac Business Flexi	7.48	7.48
WBC Business Max-i Direct 16-2545	44,115.22	41,393.94
Sundry Debtors	2,114.08	341.18
	67,518.02	112,393.04
Income Tax Refundable (Note 7)	2,431.72	-
	2,431.72	-
	69,949.74	112,393.04
Total Assets	494,531.26	290,062.54
Less:		
Liabilities		
Income Tax Payable (Note 7)	-	156.98
PAYG Payable	716.00	1,170.00
Deferred Tax Liability (Note 7)	37,636.75	5,938.43
Sundry Creditors	38,824.16	-
	77,176.91	7,265.41
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Net Assets Available to Pay Benefits	417,354.35	282,797.13

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DETAILED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

	2011	2010
	\$	\$
Represented by:		
Liability for Accrued Benefits (Notes 2, 3, 4)		
Barbaro, Anthony John	144,774.62	88,210.20
Barbaro, Mark Joseph	99,887.60	61,051.21
Barbaro, Steven James	110,884.37	96,879.80
Gabbusch, Donna Marie	61,807.76	36,655.92
	<hr/> 417,354.35	<hr/> 282,797.13
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The accompanying notes form part of these financial statements

J BARBARO & SONS STAFF SUPERANNUATION FUND
OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
Income		
Capital Gains/(Losses) - Taxable	-	1,546.55
Capital Gains/(Losses) - Non Taxable	-	773.28
Distributions Received	631.13	645.12
Increase in Market Value of Investments (Note 5)	212,135.06	-
Interest Received	5,301.91	4,380.04
Member/Personal Contributions - Concessional (Taxable)	-	6,602.10
Member/Personal Contributions - Non Concessional (Undeducted)	-	4,000.00
Other Contributions - Non Taxable	4,883.95	-
Rent Received	5,731.60	14,969.00
	228,683.65	32,916.09
Expenses		
Accountancy Fees	2,079.00	1,980.00
Supervisory Levy	150.00	150.00
Audit Fees	990.00	935.44
Bank Charges	-	9.70
Decrease in Market Value of Investments (Note 5)	467.64	2,858.78
Depreciation	85.48	72.60
Insurance	-	2,455.59
Legal Fees	800.00	-
Life Insurance Premiums - Preserved	3,296.08	845.33
Light and Power	329.18	14.08
Rates & Taxes	4,230.36	4,243.76
Transfers Out - Preserved/Taxable	48,227.08	-
Transfers Out - Preserved/Tax Free	1,772.92	-
	62,427.74	13,565.28
Benefits Accrued as a Result of Operations before Income Tax	166,255.91	19,350.81
Income Tax (Note 7)		
Income Tax Expense	31,698.32	2,267.88
	31,698.32	2,267.88
Benefits Accrued as a Result of Operations	134,557.59	17,082.93

The accompanying notes form part of these financial statements

J BARBARO & SONS STAFF SUPERANNUATION FUND
DETAILED OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
Income		
Capital Gains/(Losses) - Taxable		
MacQuarie Bank	-	1,546.55
	-	1,546.55
Capital Gains/(Losses) - Non Taxable		
MacQuarie Bank	-	773.28
	-	773.28
Distributions Received		
SPDR S & P/ASX 50 Fund	631.13	645.12
	631.13	645.12
Interest Received		
ANZ Bank	1,077.64	337.15
ANZ Business Online Saver	-	500.10
Angas Securities	2,241.01	2,136.49
National Bank	0.28	0.59
WBC A/C 16-2545	1,982.98	1,396.44
Westpac Business Flexi	-	9.27
	5,301.91	4,380.04
Member/Personal Contributions - Concessional (Taxable)		
Barbaro, Anthony John	-	6,602.10
	-	6,602.10
Member/Personal Contributions - Non Concessional (Undeducted)		
Barbaro, Anthony John	-	1,000.00
Barbaro, Mark Joseph	-	1,000.00
Barbaro, Steven James	-	1,000.00
Gabbusch, Donna Marie	-	1,000.00
	-	4,000.00
Other Contributions - Non Taxable		
Barbaro, Anthony John	1,497.45	-
Barbaro, Steven James	1,886.50	-
Gabbusch, Donna Marie	1,500.00	-
	4,883.95	-
Rent Received		
Davis & Hopkins Street	5,731.60	14,969.00

The accompanying notes form part of these financial statements

J BARBARO & SONS STAFF SUPERANNUATION FUND
DETAILED OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
	5,731.60	14,969.00
Revaluations		
Fixed Interest Securities (Australian)		
Angas Securities	-	2,136.49
	-	2,136.49
Shares in Listed Companies (Australian)		
MacQuarie Bank	-	(2,211.00)
OM Strategic Investments Limited	154.40	220.80
SPDR S & P/ASX 50 Fund	786.38	(868.58)
	940.78	(2,858.78)
Other Investment		
Other Revaluation	210,726.64	(2,136.49)
	210,726.64	(2,136.49)
	211,667.42	(2,858.78)
	228,216.01	30,057.31
Expenses		
Accountancy Fees	2,079.00	1,980.00
Supervisory Levy	150.00	150.00
Audit Fees	990.00	935.44
Bank Charges	-	9.70
Depreciation		
Hoist	85.48	72.60
	85.48	72.60
Insurance	-	2,455.59
Legal Fees	800.00	-
Life Insurance Premiums - Preserved		
Barbaro, Anthony John	1,981.90	322.38
Barbaro, Mark Joseph	340.49	138.35
Barbaro, Steven James	515.43	203.45
Gabbusch, Donna Marie	458.26	181.15
	3,296.08	845.33
Light and Power	329.18	14.08
Rates & Taxes	4,230.36	4,243.76
Transfers Out - Preserved/Taxable		
Barbaro, Steven James	48,227.08	-

The accompanying notes form part of these financial statements

**J BARBARO & SONS STAFF SUPERANNUATION FUND
 DETAILED OPERATING STATEMENT
 FOR THE YEAR ENDED 30 JUNE 2011**

	2011	2010
	\$	\$
	48,227.08	-
Transfers Out - Preserved/Tax Free		
Barbaro, Steven James	1,772.92	-
	1,772.92	-
	61,960.10	10,706.50
Benefits Accrued as a Result of Operations before Income Tax	166,255.91	19,350.81
Income Tax (Note 7)		
Income Tax Expense	31,698.32	2,267.88
	31,698.32	2,267.88
Benefits Accrued as a Result of Operations	134,557.59	17,082.93

The accompanying notes form part of these financial statements

J BARBARO & SONS STAFF SUPERANNUATION FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
Cash Flows from Operating Activities		
Contributions		
Member	4,883.95	10,602.10
	4,883.95	10,602.10
Fund Transfers		
Transfers out	(50,000.00)	-
	(50,000.00)	-
Operating Income		
Distributions Received	390.52	303.94
Interest Received	3,428.44	2,243.55
Rent Received	7,283.20	14,969.00
	11,102.16	17,516.49
Operating Expenses		
Accountancy Fees	(2,079.00)	(1,980.00)
Audit Fees	(990.00)	(935.44)
Bank Charges	-	(9.70)
Insurance	-	(2,455.59)
Legal Fees	(800.00)	-
Life Insurance Premiums - Preserved	(3,296.08)	(845.33)
Light and Power	(329.18)	(14.08)
Rates & Taxes	(4,230.36)	(4,243.76)
Tax Paid	(3,193.07)	(2,244.82)
	(14,917.69)	(12,728.72)
Net cash provided by (used in) operating activities (Note 8)	(48,931.58)	15,389.87
Cash Flows from Investing Activities		
Sundry Debtors	341.18	-
Fixed Interest Securities (Australian)	1,942.48	(661.73)
Plant and Equipment (at written down value)	-	(500.00)
Real Estate Properties (Australian)	(37,272.56)	-
Shares in Listed Companies (Australian)	-	44.63
Sundry Creditors	37,272.56	-
Net cash provided by (used in) investing activities	2,283.66	(1,117.10)

The accompanying notes form part of these financial statements

J BARBARO & SONS STAFF SUPERANNUATION FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
Net Increase/(Decrease) in Cash Held	<u>(46,647.92)</u>	<u>14,272.77</u>
Cash at beginning of reporting period	112,051.86	97,779.09
Cash at end of reporting period (Note 9)	<u>65,403.94</u>	<u>112,051.86</u>

The accompanying notes form part of these financial statements

J BARBARO & SONS STAFF SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

1. Statement of Significant Accounting Policies

The trustees have prepared the financial statements on the basis that the superannuation fund 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 and the needs of members.

The financial statements have also been prepared on an accruals basis and are based on historical costs, except for investments and financial liabilities, which have been measured at new market values.

The following significant accounting policies, which are consistent with the policies applied in the previous period unless otherwise stated, have been adopted in the preparation of the financial statements.

a. Measurement of Investments

The Fund initially recognises:

- i. an investment when it controls the future economic benefits expected to flow from the asset. For financial assets, the trade date is considered the date on which control of the future economic benefits attributable to the asset passes to the Fund; and
- ii. a financial liability on the date it becomes a party to the contractual provisions of the instrument.

Investments of the Fund have been measured at their net market values, which is the amount that could be expected to be received from disposal of the investment in an orderly market after deducting costs expected to be incurred in realising the proceeds from disposal.

Net market values have been determined as follows:

- i. shares and other securities listed on the Australian Securities Exchange by reference to the relevant market quotations at the end of the reporting period;
- ii. units in managed funds by reference to the unit redemption price at the end of the reporting period;
- iii. fixed interest securities by reference to the redemption price at the end of the reporting period; and
- iv. investments properties at trustees' assessment of their realisable value.

Remeasurement changes in the net market values of investments are recognised in the operating statement in the periods in which they occur.

Current assets, such as interest and distributions receivables, which are expected to be recovered within twelve months after the reporting period, are carried at the fair value of amounts due to be received.

J BARBARO & SONS STAFF SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

2011	2010
\$	\$

Financial liabilities, such as trade creditors and other payables, are measured at the gross value of the outstanding balance at the reporting date. The trustees have determined that the gross values of the Fund's financial liabilities are equivalent to their net market value. Any remeasurement changes in the gross values of non-current financial liabilities (including liabilities for members' accrued benefits) are recognised in the operating statement in the periods in which they occur.

b. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and at call, deposits with banks and short-term, highly liquid investments that are readily convertible to cash and are subject to an insignificant risk of change in value.

c. Revenue

Revenue is recognised at the fair value of the consideration received or receivable.

Interest revenue

Interest revenue is recognised when interest is physically received into an appropriate account, or credited against the value of an investment. Interest accrued, but not paid, does not form part of interest revenue, and is not recorded at year end.

Interest revenue includes the amortisation of any discount or premium, transactions costs and any other differences between the initial carrying amount of the interest-bearing instrument to which it relates and the amount of the interest-bearing instrument at maturity calculated on an effective interest basis.

Dividend revenue

Revenue from dividends is recognised on the physical receipt of the dividend into an appropriate account. Where a dividend is not physically received, but received, for example, as a reduction in a loan balance, or as a part of a dividend reinvestment plan, this will be recognised as revenue at the time the loan is reduced or the DRP account is credited.

Distribution revenue

Distributions from trusts are recognised as at the date the unit value is quoted ex-distributions and if not received at the end of the reporting period, are reflected in the statement of financial position as a receivable at new market value.

Remeasurement changes in net market values

Remeasurement changes in the net market values of assets are recognised as income and are determined as the difference between the net market value at year-end or cost (if the investment was acquired during the period).

d. Liability for Accrued Benefits

The liability for accrued benefits represents the funds present obligation to pay benefits to members and beneficiaries and has been calculated as the difference between the carrying amount of the assets and the carrying amount of the other payables and

J BARBARO & SONS STAFF SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$

income tax liabilities as at the end of the reporting period.

e. Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax liability balances during the year as well as unused tax losses.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which the trustees expect to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where:

- (a) a legally enforceable right of set-off exists; and
- (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

f. Critical Accounting Estimates and Judgments

The preparation of financial statements requires the trustees to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

2. Liability for Accrued Benefits

Changes in the Liability for Accrued Benefits are as follows:

J BARBARO & SONS STAFF SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
Liability for Accrued Benefits at beginning of period	282,797.13	265,714.20
Add:		
- Increase in Accrued Benefits	134,557.59	17,082.93
- Adjustment of Deferred Tax Liability /Deferred Tax Asset	(.37)	-
	417,354.35	282,797.13
Liability for Accrued Benefits at end of period	417,354.35	282,797.13

3. Vested Benefits

Vested benefits are benefits which are not conditional upon continued membership of the fund (or any other factor other than resignation from the fund) and include benefits which members were entitled to receive had they terminated their fund membership as at the reporting date.

Vested Benefits	417,354.35	282,797.13
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4. Guaranteed Benefits

No guarantees have been given in respect of any part of the liability for accrued benefits.

5. Changes in Net Market Values

Investments and other assets of the fund are valued at the end of the reporting period as described in Note 1 - Summary of Significant Accounting Policies. A detailed schedule of investments is attached to these financial statements. A summary of the change in Net Market Values is as follows:

Fixed Interest Securities (Australian)	-	2,136.49
Shares in Listed Companies (Australian)	940.78	(2,858.78)
	940.78	(722.29)
	940.78	(722.29)

6. Funding Arrangements

The employer and members contributed to the fund a percentage of the gross salaries of the employees who were members of the fund as follows:

Employer
Members

J BARBARO & SONS STAFF SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
7. Income Tax		
Income Tax is payable by the superannuation fund at the rate of 15% on the contributions received and the income of the fund. There has been no change in the Income Tax rate during the year.		
The Income Tax payable by the superannuation fund has been calculated as follows:		
Benefits accrued as a result of operations before income tax	166,255.91	19,350.81
Prima facie income tax on accrued benefits	24,938.39	2,902.62
Add/(Less) Permanent Differences		
Distributions Received	(3.03)	(21.25)
Increase in Market Value of Investments	(31,820.26)	-
Member/Personal Contributions - Non Concessional (Undeducted)	-	(600.00)
Other Contributions - Non Taxable	(732.59)	-
Decrease in Market Value of Investments	70.15	428.82
Transfers Out - Preserved/Taxable	7,234.06	-
Transfers Out - Preserved/Tax Free	265.94	-
Prior Year Capital Losses Recouped	-	-
Accounting (Profits)/Losses on Sale of Investments	-	(347.97)
Movement in Deferred Tax Liability/Deferred Tax Asset	31,698.32	(94.47)
Other	47.34	.13
	6,759.93	(634.74)
Income Tax Expense	31,698.32	2,267.88
Income tax expense comprises:		
Income Tax Payable/(Refundable)	(2,431.72)	156.98
Imputed Credits	164.72	137.37
Foreign Credits	-	1.00
Movement in Deferred Tax Liability/Deferred Tax Asset	31,698.32	(94.47)
Tax Instalments Paid	2,267.00	2,067.00
	31,698.32	2,267.88
8. Reconciliation of Net Cash provided by Operating Activities to Benefits Accrued from Operations after Income Tax		
Benefits accrued from operations after income tax	134,557.59	17,082.93

J BARBARO & SONS STAFF SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
Add/(Less) non cash amounts included in benefits accrued from operations		
Capital Gains/(Losses) - Taxable	-	(1,546.55)
Capital Gains/(Losses) - Non Taxable	-	(773.28)
Distributions Received	(240.61)	(341.18)
Increase in Market Value of Investments	(212,135.06)	-
Interest Received	(1,873.47)	(2,136.49)
Rent Received	1,551.60	-
Supervisory Levy	150.00	150.00
Decrease in Market Value of Investments	467.64	2,858.78
Depreciation	85.48	72.60
Income Tax Expense	31,698.32	2,267.88
PAYG Payable	(716.00)	(1,170.00)
Other non cash items	(2,477.07)	(1,074.82)
	(183,489.17)	(1,693.06)
Net cash provided by operating activities	(48,931.58)	15,389.87

9. Reconciliation of Cash

For the purpose of the statement of cash flows, cash includes cash on hand and in banks. Cash at the end of the reporting period as shown in the statement of cash flows is reconciled to the related item in the Statement of Financial Position or Statement of Net Assets as follows:

Cash	65,403.94	112,051.86
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J BARBARO & SONS STAFF SUPERANNUATION FUND TRUSTEES DECLARATION

The trustees have determined that the fund is not a reporting entity and that this special purpose financial statements should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

In the opinion of the trustees:

- (i) the financial statements and notes to the financial statements for the year ended 30 June 2011 present fairly, in all material respects, the financial position of the superannuation fund at 30 June 2011 and the results of its operations for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements;
- (ii) the financial statements and notes to the financial statements have been prepared in accordance with the requirements of the trust deed; and
- (iii) the operation of the superannuation fund has been carried out in accordance with its trust deed and in compliance with the requirements of the Superannuation Industry (Supervision) Act 1993 and associated Regulations during the year ended 30 June 2011.

Signed in accordance with a resolution of the trustees by:

Anthony John Barbaro
Trustee

Mark Joseph Barbaro
Trustee

Steven James Barbaro
Trustee

Donna Marie Gabbusch
Trustee

DATED: / /

**J BARBARO & SONS STAFF SUPERANNUATION FUND
SELF-MANAGED SUPERANNUATION FUND
INDEPENDENT AUDITOR'S REPORT**

Auditor details

Name	Richard Simon Smith
Postal address	7/108 King William Street Adelaide SA 5000
Business name	
Business Postal address	7/108 King William Street Adelaide SA 5000
SMSF auditor number (SAN)	
Professional organisation	SPAA
Professional membership or registration number	1039

Self-managed superannuation fund details

Self-managed superannuation fund (SMSF) name	J Barbaro & Sons Staff Superannuation Fund
Australian business number or tax file number	29465475911
Address	Level 1 120 Greenhill Road Unley SA 5061
Year of income being audited	2011

To the trustees

To the trustees of	J Barbaro & Sons Staff Superannuation Fund
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**J BARBARO & SONS STAFF SUPERANNUATION FUND
SELF-MANAGED SUPERANNUATION FUND
INDEPENDENT AUDITOR'S REPORT**

PART A - FINANCIAL REPORT

I have audited the special purpose financial report comprising the Statement of Financial Position as at 30 June 2011, and the Operating Statement for the year then ended, a summary of significant accounting policies and other explanatory notes of the SMSF for the year ended 30 June 2011.

Trustee's Responsibility for the financial report

The trustee is responsible for the preparation of the financial report in accordance with the financial reporting requirements of the Superannuation Industry (Supervision) Act 1993 (SISA) and the Superannuation Industry (Supervision) Regulations 1994 (SISR), and for such internal control as the trustee determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on the financial report based on the audit. I have conducted an independent audit of the financial report in order to express an opinion on it to the trustee.

My audit has been conducted in accordance with Australian Auditing Standards. These standards require that I comply with relevant ethical requirements relating to audit engagements, and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the trustee's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the trustee's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustee, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Auditor's opinion

In my opinion, the financial report: presents fairly, in all material respects, in accordance with the accounting policies described in the notes to the financial statements, the financial position of the fund at 30 June 2011 and the results of its operations for the year then ended.

Basis of accounting

Without modifying our opinion, we draw attention to note 1 of the financial reports, which describes the basis of accounting. The financial report has been prepared to assist J Barbaro & Sons Staff Superannuation Fund meet the requirements of the Superannuation Industry (Supervision) Act 1993 (SISA) and the Superannuation Industry (Supervision) Regulations 1994 (SISR). As a result, the financial report may not be suitable for another purpose.

PART B - COMPLIANCE REPORT

Trustee's responsibility for compliance

The trustee is responsible for complying with the requirements of the SISA and the SISR.

Auditor's responsibility

**J BARBARO & SONS STAFF SUPERANNUATION FUND
SELF-MANAGED SUPERANNUATION FUND
INDEPENDENT AUDITOR'S REPORT**

My responsibility is to express an opinion on the trustee's compliance, based on the compliance engagement. My audit has been conducted in accordance with applicable Standards on Assurance Engagement to provide reasonable assurance that the trustee of the fund has complied, in all material respects, with the relevant requirements of the following provisions (to the extent applicable) of the SISA and the SISR.

Sections: 17A, 35A, 35B, 35C(2), 52(2)(d), 52(2)(e), 62, 65, 66, 67, 69-71E, 73-75, 80-85, 103, 104A, 109, 126K

Regulations: 1.06(9A), 4.09, 5.03, 5.08, 6.17, 7.04, 13.12, 13.13, ¹13.14

My procedures included examination, on a test basis, of evidence supporting compliance with those requirements of the SISA and the SISR.

These tests have not been performed continuously throughout the period, were not designed to detect all instances of non-compliance, and have not covered any other provisions of the SISA and the SISR apart from those specified. My procedures with respect to section 62 included testing that the fund trust deed establishes the fund solely for the provision of retirement benefits for fund members or their dependants in the case of the member's death before retirement; a review of investments to ensure the fund is not providing financial assistance to members, unless allowed under the legislation; and that no preserved benefits have been paid before a condition of release has been met.

My procedures with respect to regulation 4.09 included testing that the fund trustee has an investment strategy, that the trustee has given consideration to risk, return, liquidity and diversification and that the fund's investments are made in line with that investment strategy. No opinion is made on the investment strategy or its appropriateness to the fund members.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Auditor's conclusion

In my opinion, the trustee of J Barbaro & Sons Staff Superannuation Fund has complied, in all material respects, with the requirements of the SISA or the SISR specified above, for the year ended 30 June 2011.

Signature of approved auditor :

Richard Simon Smith

Date : / /

¹ An explanation of each of these sections and regulations is attached as an appendix to assist trustees. Please ensure that it is attached to the fund's audit report

**J BARBARO & SONS STAFF SUPERANNUATION FUND
 SELF-MANAGED SUPERANNUATION FUND
 INDEPENDENT AUDITOR'S REPORT**

Appendix 1- Explanation of listed sections and regulations in compliance report

This appendix is included to assist trustees with the meaning of the legislation and regulations listed above

Section or Regulation	Explanation
S17A	The Fund must meet the definition of an SMSF
S35A	The trustees must keep and maintain accounting records for a minimum of five years
S35B	The trustees must prepare and maintain proper accounting records
S35C(2)	The trustees must provide the auditor with requested documents to complete the audit in a timely manner; and within 14 days of a written request from the auditor
S52(2)(d)	The assets of the SMSF must be held separately from any assets held by the trustee personally or by a standard employer sponsor or an associate of the standard employer
S52 (2)(e)	The trustee must not enter into a contract that would prevent / hinder them from exercising the powers of a trustee
S62	The fund must be maintained for the sole purpose of providing benefits to fund members upon their retirement, or upon reaching a prescribed age, or to the dependents in the case of a member's death before retirement
S65	The trustees must not loan monies or provide financial assistance to any member or relative at any time during the financial year
S66	The trustees must not acquire any assets (not listed as an exemption) from any member or related party of the fund
S67	The trustees of the fund must not borrow any money or maintain an existing borrowing (not listed as an exemption)
S67A-67B	Limited recourse borrowing arrangements
S69-71E	Outline of the in-house asset rules that trustees must follow. (These relate to transactions of any kind with a related party of the fund)
S73-75	Outline of the manner in which in-house assets must be valued by trustees (arms length market value)

**J BARBARO & SONS STAFF SUPERANNUATION FUND
 SELF-MANAGED SUPERANNUATION FUND
 INDEPENDENT AUDITOR'S REPORT**

Appendix 1 (Continued)

S80-85	The trustees must comply with the in-house asset rules
S103	The trustees must keep minutes of all meetings and maintain the minutes for a minimum of 10 years
S104A	Trustees who became a trustee on or after 1 July 2007, must sign and maintain a trustee declaration
S109	All investment transactions must be made and maintained at arms length i.e. purchase, sale price and income from an asset reflects a true market value/ rate of return
S126K	A disqualified person cannot be a trustee, investment manager or custodian of a superannuation fund
Sub Reg 1.06 (9A)	Pension payments must be made at least annually and must be at least the amount calculated under clause 2 of Schedule 7
Reg 4.09	Trustees must have an investment strategy for the fund
Reg 5.03	Investment returns must be allocated to members in a manner that is fair and reasonable
Reg 5.08	Member benefits must be maintained in the fund until transferred or cashed out in a permitted fashion
Reg 6.17	Payments must be made in accordance with Part 6 of the regulations and be permitted by the trust deed
Reg 7.04	Contributions must be accepted in accordance with the applicable rules for the year being audited
Reg 13.12	Trustees must not recognise an assignment of a super interest of a member or beneficiary
Reg 13.13	Trustees must not recognise a charge over or in relation to a member's benefits
Reg 13.14	Trustees must not give a charge over, or in relation to, an asset of the fund
Reg 13.18AA	Investments in collectables and personal use assets must be maintained in accordance with prescribed rules.

J BARBARO & SONS STAFF SUPERANNUATION FUND
STATEMENT OF TAXABLE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	2011
	\$
Benefits Accrued as a Result of Operations before Income Tax	166,256.00
Less:	
Increase in Market Value of Investments	(212,135.00)
Other Contributions - Non Taxable	(1,497.00)
Other Contributions - Non Taxable	(1,886.00)
Other Contributions - Non Taxable	(1,500.00)
Non Taxable Distributions Received	(20.00)
	<hr/>
	(217,038.00)
	<hr/>
	(50,782.00)
Add:	
Decrease in Market Value of Investments	468.00
Transfers Out - Preserved/Taxable	48,227.00
Transfers Out - Preserved/Tax Free	1,773.00
	<hr/>
	50,468.00
	<hr/>
Taxable Income	(314.00)
	<hr/>
Tax Payable on Taxable Income	0.00
Less:	
Imputed Credits	164.72
Instalments Paid	2,267.00
	<hr/>
	2,431.72
	<hr/>
Income Tax Payable/(Refund)	(2,431.72)
Add:	
Supervisory levy	180.00
Total Amount Due or Refundable	(2,251.72)
	<hr/>

**J BARBARO & SONS STAFF SUPERANNUATION FUND
DEFERRED TAX RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2011**

Account Code	Account	Revaluation/Tax Deferred Amount	Permanent Difference	Amount
		\$	\$	\$
Revaluations				
247		210,726.64	-	210,726.64
776/007	OM Strategic Investments Limited	154.40	(51.46)	102.94
776/008	SPDR S & P/ASX 50 Fund	786.38	-	786.38
		211,667.42	(51.46)	211,615.96
Other Timing Differences				
<u>Distributions Received</u>				
238/006	SPDR S & P/ASX 50 Fund	20.19	-	20.19
		20.19	-	20.19
		211,687.61	(51.46)	211,636.15
Deferred Tax Liability/ (Deferred Tax Asset) Summary				
	Opening Balance			5,938.43
	Add Increase/(Decrease) in Deferred Tax			
	- Current Year Transactions (\$211,636.15 @ 15%)			31,745.42
	- Deferred Tax Adjustments			-
	- Current Year Tax Loss			(47.10)
	- Change in Capital Loss carried forward (\$0.00 @ 15%)			-
	Closing Balance at 30 June 2011		\$	37,636.75