

BARBARO SUPERANNUATION FUND
FINANCIAL SUMMARY AS AT 30 JUNE 2012

	2012	2011	Change
	\$	\$	
Operating Statement			
Income	84,268.04	660,663.05	(87.24)%
Less Expenses	110,149.04	308,629.73	(64.31)%
Benefits Accrued as a Result of Operations before Income Tax	<u>(25,881.00)</u>	<u>352,033.32</u>	<u>(107.35)%</u>
Less Income Tax Expense	<u>(152.29)</u>	<u>87,817.72</u>	<u>(100.17)%</u>
Benefits Accrued as a Result of Operations	<u>(25,728.71)</u>	<u>264,215.60</u>	<u>(109.74)%</u>
Statement of Financial Position			
Investments	1,044,226.03	1,013,164.07	3.07%
Other Assets	8,751.63	66,484.77	(86.84)%
Total Assets	<u>1,052,977.66</u>	<u>1,079,648.84</u>	<u>(2.47)%</u>
Less Liabilities	<u>66,878.64</u>	<u>67,820.67</u>	<u>(1.39)%</u>
Net Assets Available to Pay Benefits	<u>986,099.02</u>	<u>1,011,828.17</u>	<u>(2.54)%</u>
Member's Balance Summary			
Barbaro, Joe	432,907.44	447,577.98	(3.28)%
Barbaro, Barbara	553,191.58	564,250.19	(1.96)%
Total Fund Balance	<u>986,099.02</u>	<u>1,011,828.17</u>	<u>(2.54)%</u>
Income Tax Refundable/(Payable)	166.99	(2,916.70)	(105.73)%

BARBARO SUPERANNUATION FUND
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

	2012	2011
	\$	\$
Investments		
Fixed Interest Securities (Australian)	49,257.52	34,000.00
Plant and Equipment (at written down value)	2,297.51	2,420.43
Real Estate Properties (Australian)	975,078.34	958,192.94
Shares in Listed Companies (Australian)	230.36	221.50
Units in Listed Unit Trusts (Australian)	17,362.30	18,329.20
	1,044,226.03	1,013,164.07
Other Assets		
ANZ Business Cash Management ***36212	4,963.05	4,424.88
NAB Cash Manager ***1297	-	11,406.61
Westpac Cash Management Account ***2623	1,772.92	12,482.66
Distributions Receivable	168.68	-
Dividend Reinvestment - Residual Account	4.01	-
Sundry Debtors	1,675.98	38,170.62
Income Tax Refundable (Note 7)	166.99	-
	8,751.63	66,484.77
Total Assets	1,052,977.66	1,079,648.84
Less:		
Liabilities		
Income Tax Payable (Note 7)	-	2,916.70
Deferred Tax Liability (Note 7)	63,761.68	63,913.97
Sundry Creditors	3,116.96	990.00
	66,878.64	67,820.67
Net Assets Available to Pay Benefits	986,099.02	1,011,828.17
Represented by:		
Liability for Accrued Benefits (Notes 2, 3, 4)		
Barbaro, Joe	286,723.91	306,878.85
Barbaro, Barbara	407,574.79	423,550.20
Barbaro, Barbara	145,616.79	140,699.99
Barbaro, Joe	146,183.53	140,699.13
	986,099.02	1,011,828.17

The accompanying notes form part of these financial statements

BARBARO SUPERANNUATION FUND
DETAILED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

	2012	2011
	\$	\$
Investments		
Fixed Interest Securities (Australian)		
Angas Securities	36,858.36	34,000.00
NAB Term Deposit ***3403	12,399.16	-
	49,257.52	34,000.00
Plant and Equipment (at written down value)		
Hoist	276.66	345.83
Olympic Shed Materials	2,020.85	2,074.60
	2,297.51	2,420.43
Real Estate Properties (Australian)		
19-23 Graham Street	695,000.00	695,000.00
Port Wakefield Property - Lot 2129 - (43%)	40,850.00	36,635.00
Davis & Hopkins Street, Wingfield (24%)	168,960.00	156,557.94
Capitalised Expenses - Pt Wakefield	268.34	-
Port Wakefield Property - Lot 670	70,000.00	70,000.00
	975,078.34	958,192.94
Shares in Listed Companies (Australian)		
Bendigo Bank Limited	230.36	221.50
	230.36	221.50
Units in Listed Unit Trusts (Australian)		
OM-IP Multistrategy Limited	6,361.20	6,136.20
SPDR S & P/ASX 50 Fund	11,001.10	12,193.00
	17,362.30	18,329.20
	1,044,226.03	1,013,164.07
Other Assets		
ANZ Business Cash Management ***36212	4,963.05	4,424.88
NAB Cash Manager ***1297	-	11,406.61
Westpac Cash Management Account ***2623	1,772.92	12,482.66
	6,735.97	28,314.15
Distributions Receivable		
SPDR S & P/ASX 50 Fund	168.68	-
	168.68	-
Dividend Reinvestment - Residual Account	4.01	-
Sundry Debtors	1,675.98	38,170.62
Income Tax Refundable (Note 7)	166.99	-
	1,846.98	38,170.62
	8,751.63	66,484.77
Total Assets	1,052,977.66	1,079,648.84

The accompanying notes form part of these financial statements

BARBARO SUPERANNUATION FUND
DETAILED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

	2012	2011
	\$	\$
Less:		
Liabilities		
Income Tax Payable (Note 7)	-	2,916.70
Deferred Tax Liability (Note 7)	63,761.68	63,913.97
Sundry Creditors	3,116.96	990.00
	66,878.64	67,820.67
	66,878.64	67,820.67
Net Assets Available to Pay Benefits	986,099.02	1,011,828.17
Represented by:		
Liability for Accrued Benefits (Notes 2, 3, 4)		
Barbaro, Joe	286,723.91	306,878.85
Barbaro, Barbara	407,574.79	423,550.20
Barbaro, Barbara	145,616.79	140,699.99
Barbaro, Joe	146,183.53	140,699.13
	986,099.02	1,011,828.17
	986,099.02	1,011,828.17

The accompanying notes form part of these financial statements

**BARBARO SUPERANNUATION FUND
OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012**

	2012	2011
	\$	\$
Income		
Capital Gains/(Losses) - Taxable	-	(3,320.51)
Capital Gains/(Losses) - Non Taxable	-	161.00
Distributions Received	689.12	631.13
Dividends Received	10.71	636.00
Increase in Market Value of Investments (Note 5)	15,655.53	655,014.08
Interest Received	3,395.64	3,125.35
Rent Received	64,517.04	4,416.00
	84,268.04	660,663.05
Expenses		
Accountancy Fees	-	3,157.00
ATO Supervisory Levy	380.00	150.00
Audit Fees	-	990.00
Bank Charges	23.97	14.43
Decrease in Market Value of Investments (Note 5)	-	63,964.22
Depreciation	122.92	135.32
Insurance	913.94	-
Legal Fees	-	800.00
Life Insurance Premiums - Preserved	-	506.31
Pensions Paid - Unrestricted Non Preserved - Tax Free	5,873.63	6,084.67
Pensions Paid - Unrestricted Non Preserved - Taxable	100,786.20	56,415.33
Rates & Taxes - Davis & Hopkins Street (as per % of ownership)	2,048.38	4,085.39
Security Expenses	-	385.00
Transfers Out - Preserved/Taxable	-	167,180.26
Transfers Out - Preserved/Tax Free	-	4,761.80
	110,149.04	308,629.73
Benefits Accrued as a Result of Operations before Income Tax	(25,881.00)	352,033.32
Income Tax (Note 7)		
Income Tax Expense	(152.29)	87,817.72
	(152.29)	87,817.72
Benefits Accrued as a Result of Operations	(25,728.71)	264,215.60

The accompanying notes form part of these financial statements

**BARBARO SUPERANNUATION FUND
DETAILED OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012**

	2012	2011
	\$	\$
Income		
Capital Gains/(Losses) - Taxable		
Bendigo Bank Limited	-	(3,320.51)
	-	(3,320.51)
Capital Gains/(Losses) - Non Taxable		
Bendigo Bank Limited	-	161.00
	-	161.00
Distributions Received		
SPDR S & P/ASX 50 Fund	689.12	631.13
	689.12	631.13
Dividends Received		
Bendigo Bank Limited	10.71	636.00
	10.71	636.00
Interest Received		
ANZ Business Cash Management ***36212	7.46	31.57
Angas Securities	2,858.36	2,606.37
NAB Cash Manager ***1297	130.66	484.21
NAB Term Deposit ***3403	399.16	-
Westpac Cash Management Account ***2623	-	3.20
	3,395.64	3,125.35
Rent Received		
19-23 Graham Street	60,000.00	-
Davis & Hopkins Street, Wingfield (24%)	4,517.04	4,416.00
	64,517.04	4,416.00
Revaluations		
Fixed Interest Securities (Australian)		
Angas Securities	-	2,606.37
	-	2,606.37
Real Estate Properties (Australian)		
19-23 Graham Street	-	307,886.21
Davis & Hopkins Street, Wingfield (24%)	12,402.06	202,191.65
Port Wakefield Property - Lot 2129 - (43%)	4,215.00	24,131.43
Port Wakefield Property - Lot 670	-	52,333.57
	16,617.06	583,326.15
Shares in Listed Companies (Australian)		

The accompanying notes form part of these financial statements

**BARBARO SUPERANNUATION FUND
DETAILED OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012**

	2012	2011
	\$	\$
Bendigo Bank Limited	5.37	3,604.82
	5.37	3,604.82
Units in Listed Unit Trusts (Australian)		
OM-IP Multistrategy Limited	225.00	115.80
SPDR S & P/ASX 50 Fund	(1,191.90)	786.38
	(966.90)	902.18
Other Investment		
Other Revaluation	0.00	610.34
	0.00	610.34
	15,655.53	591,049.86
	84,268.04	599,915.54
Expenses		
Accountancy Fees	-	3,157.00
ATO Supervisory Levy	380.00	150.00
Audit Fees	-	990.00
Bank Charges	23.97	14.43
Depreciation		
Hoist	69.17	81.57
Olympic Shed Materials	53.75	53.75
	122.92	135.32
Insurance	913.94	-
Legal Fees	-	800.00
Life Insurance Premiums - Preserved		
Barbaro, Peter John	-	506.31
	-	506.31
Pensions Paid - Unrestricted Non Preserved - Tax Free		
Barbaro, Barbara	3,724.32	456.89
Barbaro, Barbara	341.25	2,741.65
Barbaro, Joe	1,493.06	144.48
Barbaro, Joe	315.00	2,741.65
	5,873.63	6,084.67
Pensions Paid - Unrestricted Non Preserved - Taxable		
Barbaro, Barbara	45,999.23	5,643.11
Barbaro, Barbara	6,158.75	23,308.35
Barbaro, Joe	42,943.22	4,155.52

The accompanying notes form part of these financial statements

**BARBARO SUPERANNUATION FUND
 DETAILED OPERATING STATEMENT
 FOR THE YEAR ENDED 30 JUNE 2012**

	2012	2011
	\$	\$
Barbaro, Joe	5,685.00	23,308.35
	100,786.20	56,415.33
Rates & Taxes - Davis & Hopkins Street (as per % of ownership)	2,048.38	4,085.39
Security Expenses	-	385.00
Transfers Out - Preserved/Taxable		
Barbaro, Peter John	-	167,180.26
	-	167,180.26
Transfers Out - Preserved/Tax Free		
Barbaro, Peter John	-	4,761.80
	-	4,761.80
	110,149.04	244,665.51
Benefits Accrued as a Result of Operations before Income Tax	(25,881.00)	355,250.03
Income Tax (Note 7)		
Income Tax Expense	(152.29)	87,817.72
	(152.29)	87,817.72
Benefits Accrued as a Result of Operations	(25,728.71)	267,432.31

The accompanying notes form part of these financial statements

BARBARO SUPERANNUATION FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
Cash Flows from Operating Activities		
Fund Transfers		
Transfers out	-	(171,942.06)
	-	(171,942.06)
Operating Income		
Distributions Received	689.12	390.52
Dividends Received	3.21	190.80
Interest Received	3,395.64	518.98
Rent Received	64,517.04	4,180.00
	68,605.01	5,280.30
Operating Expenses		
Accountancy Fees	-	(3,157.00)
ATO Supervisory Levy	(380.00)	(150.00)
Bank Charges	(23.97)	(9.50)
Insurance	(913.94)	-
Legal Fees	-	(800.00)
Life Insurance Premiums - Preserved	-	(506.31)
Pensions Paid - Unrestricted Non Preserved - Tax Free	(5,873.63)	(6,084.67)
Pensions Paid - Unrestricted Non Preserved - Taxable	(100,786.20)	(56,415.33)
Rates & Taxes - Davis & Hopkins Street (as per % of	(2,048.38)	(4,085.39)
Security Expenses	-	(385.00)
Tax Paid	(3,084.13)	(403.89)
	(113,110.25)	(71,997.09)
Net cash provided by (used in) operating activities (Note 8)	(44,505.24)	(238,658.85)
Cash Flows from Investing Activities		
Proceeds from Disposal of Investments	-	6,640.41
Distributions Receivable	(168.68)	-
Sundry Debtors	36,494.64	(80.27)
Fixed Interest Securities (Australian)	(15,257.52)	(183.43)
Real Estate Properties (Australian)	(268.34)	171,942.06
Shares in Listed Companies (Australian)	-	0.00
Sundry Creditors	2,126.96	-
Net cash provided by (used in) investing activities	22,927.06	178,318.77

The accompanying notes form part of these financial statements

**BARBARO SUPERANNUATION FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012**

	2012	2011
	\$	\$
Net Increase/(Decrease) in Cash Held	(21,578.18)	(60,340.08)
Cash at beginning of reporting period	28,314.15	88,654.23
Cash at end of reporting period (Note 9)	6,735.97	28,314.15

The accompanying notes form part of these financial statements

BARBARO SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

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.

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

BARBARO SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

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 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

BARBARO SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

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:

	2012	2011
	\$	\$
Liability for Accrued Benefits at beginning of period	1,011,828.17	747,608.01
Add:		
Benefits Accrued as a Result of Operations	(25,728.71)	264,215.60
- Adjustment of Deferred Tax Liability /Deferred Tax Asset	-	4.56
- Unused Foreign Credits	(.44)	-
	<hr/>	<hr/>

BARBARO SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Liability for Accrued Benefits at end of period	986,099.02	1,011,828.17
---	------------	--------------

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.

	2012	2011
	\$	\$
Vested Benefits	986,099.02	1,011,828.17

4. Guaranteed Benefits

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

5. Changes in 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 Market Values is as follows:

	2012	2011
	\$	\$
Fixed Interest Securities (Australian)	-	2,606.37
Plant and Equipment (at written down value)	-	(45.30)
Real Estate Properties (Australian)	16,617.06	583,326.15
Shares in Listed Companies (Australian)	5.37	3,604.82
Units in Listed Unit Trusts (Australian)	(966.90)	902.18
	15,655.53	590,394.22

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:

	2012	2011
	\$	\$
Employer		
Members		

7. Income Tax

BARBARO SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

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:

	2012	2011
	\$	\$
Benefits accrued as a result of operations before income tax	(25,881.00)	352,033.32
Prima facie income tax on accrued benefits	(3,882.15)	52,805.00
Add/(Less) Tax Effect of:		
Distributions Received	(3.22)	(3.03)
Increase in Market Value of Investments	(2,348.33)	(98,252.11)
Accountancy Fees	-	473.55
ATO Supervisory Levy	57.00	22.50
Audit Fees	-	148.50
Bank Charges	3.60	2.16
Decrease in Market Value of Investments	-	9,594.63
Depreciation	18.44	20.30
Insurance	137.09	-
Legal Fees	-	120.00
Pensions Paid - Unrestricted Non Preserved - Tax Free	881.04	912.70
Pensions Paid - Unrestricted Non Preserved - Taxable	15,117.93	8,462.30
Rates & Taxes - Davis & Hopkins Street (as per % of ownership)	307.26	612.81
Security Expenses	-	57.75
Transfers Out - Preserved/Taxable	-	25,077.04
Transfers Out - Preserved/Tax Free	-	714.27
Exempt Pension Income	(10,288.65)	(1,129.20)
Accounting (Profits)/Losses on Sale of Investments	-	473.93
Movement in Deferred Tax Liability/Deferred Tax Asset	(152.29)	87,817.72
Other	(.01)	(113.10)
	3,729.86	35,012.72
Income Tax Expense	(152.29)	87,817.72

Income tax expense comprises:

Income Tax Payable/(Refundable)	(191.47)	(355.52)
Imputed Credits	191.47	355.52
Foreign Credits	-	-
Movement in Deferred Tax Liability/Deferred Tax Asset	(152.29)	87,817.72
	(152.29)	87,817.72

BARBARO SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

8. Reconciliation of Net Cash provided by Operating Activities to Benefits Accrued from Operations after Income Tax

	2012	2011
	\$	\$
Benefits accrued from operations after income tax	(25,728.71)	264,215.60
Add/(Less) non cash amounts included in benefits accrued from operations		
Capital Gains/(Losses) - Taxable	-	3,320.51
Capital Gains/(Losses) - Non Taxable	-	(161.00)
Distributions Received	-	(240.61)
Dividends Received	(7.50)	(445.20)
Increase in Market Value of Investments	(15,655.53)	(655,014.08)
Interest Received	-	(2,606.37)
Rent Received	-	(236.00)
Audit Fees	-	990.00
Bank Charges	-	4.93
Decrease in Market Value of Investments	-	63,964.22
Depreciation	122.92	135.32
Income Tax Expense	(152.29)	87,817.72
Other non cash items	(3,084.13)	(403.89)
	(18,776.53)	(502,874.45)
Net cash provided by operating activities	(44,505.24)	(238,658.85)

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:

	2012	2011
	\$	\$
Cash	6,735.97	28,314.15

BARBARO 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 2012 present fairly, in all material respects, the financial position of the superannuation fund at 30 June 2012 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 2012.

Signed in accordance with a resolution of the trustees by:

Joe Barbaro
Trustee

Barbara Barbaro
Trustee

DATED: / /

**BARBARO SUPERANNUATION FUND
SELF-MANAGED SUPERANNUATION FUND
INDEPENDENT AUDITOR'S REPORT**

Approved SMSF auditor details

Name	Simon Rees
Postal address	Gpo Box 1037
	Adelaide SA 5001
Business name	
Business Postal address	Gpo Box 1037
	Adelaide SA 5001
SMSF auditor number (SAN)	100132689
Professional organisation	CPA Australia
Professional membership or registration number	9230414

Self-managed superannuation fund details

Self-managed superannuation fund (SMSF) name	Barbaro Superannuation Fund
Australian business number (ABN) or tax file number (TFN)	992 345 37
Address	Po Box 3685
	Rundle Mall SA 5000
Year of income being audited	2012

To the SMSF trustees

To the SMSF trustees of	Barbaro Superannuation Fund
-------------------------	-----------------------------

**BARBARO SUPERANNUATION FUND
SELF-MANAGED SUPERANNUATION FUND
INDEPENDENT AUDITOR'S REPORT**

Signature of approved SMSF auditor :

Simon Rees

Date : / /

**BARBARO 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 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 the necessary documents to complete the audit in a timely and professional manner; and within 14 days of a written request from the auditor
S52(2)(d) or Reg 4.09A ¹	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 sponsor
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 any or all of the following: <ul style="list-style-type: none"> • fund members upon their retirement • fund members upon reaching a prescribed age • the dependants of a fund member in the case of the 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)

¹ Reg 4.09A commenced 7/8/2012

**BARBARO 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 retain the minutes for a minimum of 10 years
S104A	Trustees who became a trustee on or after 1 July 2007 must sign and retain a trustee declaration
S109	All investment transactions must be made and maintained at arms- length – that is, 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 formulate, regularly review and give effect to 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, rolled over, allotted (to the member's spouse) or cashed in a permitted fashion
Reg 6.17	Payments of member benefits must be made in accordance with Part 6 or Part 7A of the regulations and be permitted by the trust deed
Reg 7.04	Contributions can only be accepted in accordance with the applicable rules for the year being audited
Reg 8.02B ¹	When preparing accounts and statements required by subsection 35B(1) of the Act, an asset must be valued at its market value
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

¹ Reg 8.02B commenced 7/8/2012

**BARBARO SUPERANNUATION FUND
STATEMENT OF TAXABLE INCOME
FOR THE YEAR ENDED 30 JUNE 2012**

	2012
	\$
Benefits Accrued as a Result of Operations before Income Tax	(25,881.00)
Less:	
Increase in Market Value of Investments	(15,656.00)
Non Taxable Distributions Received	(21.00)
Exempt Pension Income	(68,591.00)
	<hr/>
	(84,268.00)
	<hr/>
	(110,149.00)
Add:	
Pensions Paid - Unrestricted Non Preserved - Tax Free	5,874.00
Pensions Paid - Unrestricted Non Preserved - Taxable	100,786.00
Pension Member Non Deductible Expenses	3,489.00
	<hr/>
	110,149.00
	<hr/>
Taxable Income	0.00
	<hr/>
Tax Payable on Taxable Income	0.00
Less:	
Imputed Credits	191.47
	<hr/>
	191.47
	<hr/>
Income Tax Payable/(Refund)	(191.47)
Add:	
Supervisory levy	200.00
Total Amount Due or Refundable	8.53
	<hr/>

**BARBARO SUPERANNUATION FUND
DEFERRED TAX RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2012**

Account Code	Account	Revaluation/Tax Deferred Amount	Permanent Difference	Amount
		\$	\$	\$
Revaluations				
772/003	Port Wakefield Property - Lot 2129 - (43%)	4,215.00	(4,215.00)	-
772/004	Davis & Hopkins Street, Wingfield (24%)	12,402.06	(12,402.06)	-
776/008	Bendigo Bank Limited	5.37	(0.22)	5.15
782/004	OM-IP Multistrategy Limited	225.00	(75.00)	150.00
782/006	SPDR S & P/ASX 50 Fund	(1,191.90)	-	(1,191.90)
		15,655.53	(16,692.28)	(1,036.75)
Other Timing Differences				
<u>Distributions Received</u>				
238/006	SPDR S & P/ASX 50 Fund	21.46	-	21.46
		21.46	-	21.46
		15,676.99	(16,692.28)	(1,015.29)
Deferred Tax Liability/ (Deferred Tax Asset) Summary				
	Opening Balance			63,913.97
	Add Increase/(Decrease) in Deferred Tax			
	- Current Year Transactions (\$1,015.29 @ 15%)			(152.29)
	- Deferred Tax Adjustments			-
	- Current Year Tax Loss			-
	- Change in Capital Loss carried forward (\$0.00 @ 15%)			-
	Closing Balance at 30 June 2012		\$	63,761.68