

COLE FREEDOM SUPERANNUATION FUND

FINANCIAL STATEMENTS

AND REPORTS

FOR THE PERIOD 1 JULY 2016 TO 30 JUNE 2017

Herron Accountants
P O Box 504
North Lakes QLD 4509

COLE FREEDOM SUPERANNUATION FUND
DETAILED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	2017	2016
	\$	\$
Investments		
Other Assets		
The Perth Mint Gold	100,504.38	-
The Perth Mint Silver	119,393.25	-
	219,897.63	-
Real Estate Properties (Australian)		
3/7 Distribution Avenue, Molendinar	-	195,000.00
Less Depreciation - Plant and Equipment	-	(1,270.10)
Less Depreciation - Building Allowance	-	(7,022.00)
	-	186,707.90
	219,897.63	186,707.90
Other Assets		
Macquarie Cash Management Account	9,678.30	134,601.28
The Perth Mint Cash Account 7146	27.41	-
Prepaid Expenses	-	1,384.90
Sundry Debtors	732.00	732.00
	10,437.71	136,718.18
	10,437.71	136,718.18
Total Assets	230,335.34	323,426.08
Less:		
Liabilities		
NAB Business Options Instalment Loan	-	84,952.85
Income Tax Payable (Note 7)	187.35	-
PAYG Payable	684.00	-
	871.35	84,952.85
	871.35	84,952.85
Net Assets Available to Pay Benefits	229,463.99	238,473.23
Represented by:		
Liability for Accrued Benefits (Notes 2, 3, 4)		
Cole, Francis	90,059.75	93,369.07
Cole, Johanna	139,404.24	145,104.16
	229,463.99	238,473.23
	229,463.99	238,473.23

The accompanying notes form part of these financial statements

COLE FREEDOM SUPERANNUATION FUND
DETAILED OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
Income		
Capital Gains/(Losses) - Taxable		
3/7 Distribution Avenue, Molendinar	14,826.03	-
	14,826.03	-
Capital Gains/(Losses) - Non Taxable		
3/7 Distribution Avenue, Molendinar	7,413.01	-
	7,413.01	-
Interest Received		
Macquarie Cash Management Account	1,667.76	2,711.33
	1,667.76	2,711.33
Member/Personal Contributions - Concessional (Taxable)		
Cole, Francis	1,182.50	-
Cole, Johanna	1,182.50	-
	2,365.00	-
Rent Received		
3/7 Distribution Avenue, Molendinar	7,562.50	11,692.00
	7,562.50	11,692.00
Revaluations		
Other Assets		
The Perth Mint Gold	(494.74)	-
The Perth Mint Silver	(9,580.22)	-
	(10,074.96)	-
Real Estate Properties (Australian)		
3/7 Distribution Avenue, Molendinar	(23,313.23)	23,313.23
Less Depreciation - Plant and Equipment	-	(358.00)
	(23,313.23)	22,955.23
Other Investment		
Other Revaluation	-	358.00
	-	358.00
	(33,388.19)	23,313.23
	446.11	37,716.56
Expenses		
Accountancy Fees	1,980.00	1,540.00
Administration Costs	296.00	(360.00)

The accompanying notes form part of these financial statements

COLE FREEDOM SUPERANNUATION FUND
DETAILED OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
ATO Supervisory Levy	259.00	259.00
Auditor's Remuneration	385.00	990.00
Bank Charges	550.00	600.00
Borrowing Costs	1,384.90	740.10
Depreciation		
Plant & Equipment	80.95	358.00
	80.95	358.00
Interest Paid	2,136.72	6,834.15
Fines	152.00	150.00
Life Insurance Premiums - Preserved		
Cole, Francis	-	171.51
Cole, Johanna	-	180.52
	-	352.03
Rental Property Expenses		
Body Corporate Fees	215.58	2,219.70
Council Rates	459.85	2,451.88
Repairs & Maintenance	-	1,000.00
Water Rates	-	1,277.56
	675.43	6,949.14
	7,900.00	18,412.42
Benefits Accrued as a Result of Operations before Income Tax	(7,453.89)	19,304.14
Income Tax (Note 7)		
Income Tax Expense	1,555.35	-
	1,555.35	-
Benefits Accrued as a Result of Operations	(9,009.24)	19,304.14

The accompanying notes form part of these financial statements

COLE FREEDOM SUPERANNUATION FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
Cash Flows from Operating Activities		
Contributions		
Member	2,365.00	-
	<u>2,365.00</u>	<u>-</u>
Operating Income		
Interest Received	1,667.76	2,711.33
Rent Received	7,562.50	11,692.00
	<u>9,230.26</u>	<u>14,403.33</u>
Operating Expenses		
Accountancy Fees	(1,980.00)	(1,540.00)
Administration Costs	(296.00)	360.00
ATO Supervisory Levy	(259.00)	(259.00)
Auditor's Remuneration	(385.00)	(990.00)
Bank Charges	(550.00)	(600.00)
Borrowing Costs	(1,384.90)	(740.10)
Interest Paid	(2,136.72)	(6,834.15)
Fines	(152.00)	(150.00)
Life Insurance Premiums - Preserved	-	(352.03)
Rental Property Expenses	(675.43)	(6,949.14)
Tax Paid	(684.00)	(1,344.45)
	<u>(8,503.05)</u>	<u>(19,398.87)</u>
Net cash provided by (used in) operating activities (Note 8)	3,092.21	(4,995.54)
Cash Flows from Investing Activities		
Prepaid Expenses	1,384.90	740.10
Sundry Debtors	-	(403.00)
Other Assets	(229,972.59)	-
Real Estate Properties (Australian)	80.95	-
NAB Business Options Instalment Loan	(84,952.85)	(8,509.65)
Proceeds from Disposal of Investments	185,552.76	-
Sundry Creditors	-	(4,539.75)
	<u>(127,906.83)</u>	<u>(12,712.30)</u>
Net cash provided by (used in) investing activities	(127,906.83)	(12,712.30)
Net Increase/(Decrease) in Cash Held	(124,814.62)	(17,707.84)
Cash at beginning of reporting period	134,601.28	152,309.12
Cash at end of reporting period (Note 9)	<u>9,786.66</u>	<u>134,601.28</u>

The accompanying notes form part of these financial statements

COLE FREEDOM SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

1. Summary 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 Superannuation Industry (Supervision) Act 1993 and associated Regulations, the trust deed of the fund and the needs of members.

The financial statements have been prepared on a cash basis unless stated otherwise and are based on historical costs, except for investments which have been measured at 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.

The financial statements were authorised for issue by the trustees/ directors of the trustee company

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 to be 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 market values, which refers to the amount that a willing buyer could reasonably be expected to pay to acquire an asset from a willing seller if the following assumptions are made:

- that the buyer and the seller deal with each other at arm's length in relation to the sale;
- that the sale occurred after proper marketing of the asset; and
- that the buyer and the seller acted knowledgeably and prudentially in relation to the sale.

Market value has 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;
- iv. investment properties at the trustees' assessment of their realizable value.

Financial liabilities, such as trade creditors and other payables, are measured at the gross value of the outstanding balance at the end of the reporting period. The trustees have determined that the gross value of the fund's financial liabilities is equivalent to their market values. 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 subject to an insignificant risk of change in value.

c. Revenue

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

COLE FREEDOM SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Interest revenue

Interest revenue is recognised in respect of fixed-interest securities, and cash and cash equivalent balances. Interest revenue is recognised as it accrues.

Dividend revenue

Dividend revenue is recognised when the dividend has been paid or, in the case of dividend reinvestment schemes, when the dividend is credited to the benefit of the fund.

Rental revenue

Rental revenue arising from operating leases on investment properties is recognised upon receipt.

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 net market value

Remeasurement changes in market values

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

d. Liability for Accrued Benefits

The liability for accrued benefits represents the fund's 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. Goods and Services Tax (GST)

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

The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or other payables in the statement of financial position.

f. Critical Accounting Estimates and Judgements

The preparation of financial statements requires the trustees to make judgements, 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:

	2017	2016
	\$	\$
Liability for Accrued Benefits at beginning of period	238,473.23	219,169.09

Add:

COLE FREEDOM SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Benefits Accrued as a Result of Operations	(9,009.24)	19,304.14
- Adjustment of Deferred Tax Liability /Deferred Tax Asset	-	-
	229,463.99	238,473.23

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.

	2017	2016
	\$	\$
Vested Benefits	229,463.99	238,473.23

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:

	2017	2016
	\$	\$
Other Assets	(10,074.96)	-
Real Estate Properties (Australian)	(23,313.23)	23,313.23
	(33,388.19)	23,313.23

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:

	2017	2016
	\$	\$
Employer		
Members		

7. Income Tax

Income Tax is payable by the superannuation fund at the rate of 15% on the contributions received and the income

COLE FREEDOM SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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:

	2017	2016
	\$	\$
Benefits accrued as a result of operations before income tax	(7,453.89)	19,304.14
Prima facie income tax on accrued benefits	(1,118.08)	2,895.62
Add/(Less) Tax Effect of:		
Increase in Market Value of Investments	-	(3,496.98)
Decrease in Market Value of Investments	5,008.23	-
Depreciation	(139.95)	(526.80)
Fines	22.80	22.50
Accounting (Profits)/Losses on Sale of Investments	(3,335.86)	-
Taxable Capital Gains	2,223.90	-
Tax Losses Recouped	(1,105.65)	-
Other	(.04)	1,105.66
	2,673.43	(2,895.62)
Income Tax Expense	1,555.35	-

Income tax expense comprises:

Income Tax Payable/(Refundable)	187.35	-
Tax Instalments Paid	1,368.00	-
	1,555.35	-

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

	2017	2016
	\$	\$
Benefits accrued from operations after income tax	(9,009.24)	19,304.14
Add/(Less) non cash amounts included in benefits accrued from operations		
Capital Gains/(Losses) - Taxable	(14,826.03)	-
Capital Gains/(Losses) - Non Taxable	(7,413.01)	-
Increase in Market Value of Investments	-	(23,313.23)
Decrease in Market Value of Investments	33,388.19	-
Depreciation	80.95	358.00
Income Tax Expense	1,555.35	-
Other non cash items	(684.00)	(1,344.45)

**COLE FREEDOM SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	12,101.45	(24,299.68)
Net cash provided by operating activities	<u>3,092.21</u>	<u>(4,995.54)</u>

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:

	2017	2016
	\$	\$
Cash	<u>9,705.71</u>	<u>134,601.28</u>

COLE FREEDOM SUPERANNUATION FUND

TRUSTEE: FPJL PTY LTD

ACN: 152 591 323

TRUSTEES DECLARATION

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

The directors of the trustee company declare that:

- i. the financial statements and notes to the financial statements for the year ended 30 June 2017 present fairly, in all material respects, the financial position of the superannuation fund at 30 June 2017 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 2017.

Specifically, the **trustees** declare that:

- in accordance with s 120 of the *Superannuation Industry (Supervision) Act 1993* , no individual trustee has been or is a disqualified person;
- the fund has satisfactory title to all assets, all assets are unencumbered and free from charge as prescribed by s 50 of the *Superannuation (Supervision) Act 1993* and reg 13.14 of the *Superannuation Industry (Supervision) Regulations 1994* ; and
- to the knowledge of the trustees, there have been no events or transactions subsequent to the balance date which could have a material impact on the fund. Where such events have occurred, the effect of such events has been accounted and noted in the fund's financial statements

Signed in accordance with a resolution of the directors of the trustee company by:

Francis Cole
Fpjl Pty Ltd
Director

Johanna Cole
Fpjl Pty Ltd
Director

DATED: / /

COLE FREEDOM SUPERANNUATION FUND
COMPILATION REPORT TO THE MEMBER(S) OF COLE FREEDOM SUPERANNUATION FUND

We have compiled the accompanying special purpose financial statements of Cole Freedom Superannuation Fund as at 30 June 2017 (“the Schedule”) based on information you have provided.

The Responsibility of the Trustee(s)

The Trustee(s) of the Cole Freedom Superannuation Fund is solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the basis of accounting used is appropriate to meet their needs and for the purpose that the financial statements were prepared.

This Schedule and the reliability, accuracy and completeness of the information used to compile it are your responsibility.

Our Responsibility

On the basis of information provided by the Trustee(s) we have compiled the accompanying special purpose financial statements in accordance with the financial reporting framework described in Note 1 to the financial statements and APES 315 Compilation of Financial Information.

We have applied our professional expertise in accounting and financial reporting to assist management in the preparation and presentation of these financial statements on the basis of accounting described in Note 1 to the financial statements. We have complied with the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information you provided to us to compile the Schedule. Accordingly, we do not express an audit opinion or a review conclusion on whether the Schedule is prepared in accordance with the Financial Reporting Framework described in Note 1 to the financial statements.

As stated in Note 1, the Schedule is prepared and presented on the basis prescribed by the financial reporting framework, for the purpose of Cole Freedom Superannuation Fund’s compliance with the Superannuation Industry (Supervision) Act 1993. Accordingly, the Schedule is for use only in connection with that purpose and may not be suitable for any other purpose.

Our compilation report is intended solely for the use of Cole Freedom Superannuation Fund and the approved regulator, and should not be distributed to parties other than Cole Freedom Superannuation Fund or the approved regulator without our prior written consent.

Mark Herron
of
Herron Accountants
Unit 1
48 Flinders Parade
North Lakes QLD 4509

Dated: / /