

S & N GRIMBAS SUPERANNUATION FUND

FINANCIAL STATEMENTS

AND REPORTS

FOR THE PERIOD 1 JULY 2017 TO 30 JUNE 2018

Herron Accountants
P O Box 504
North Lakes QLD 4509

S & N GRIMBAS SUPERANNUATION FUND
DETAILED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	2018	2017
	\$	\$
Investments		
Fixed Interest Securities (Australian)		
Suncorp-Metway Fixed Term Deposit	88,198.27	85,417.96
	88,198.27	85,417.96
Plant and Equipment (at written down value)		
Air Conditioner	2,448.63	-
	2,448.63	-
Real Estate Properties (Australian)		
1/51 Junction Road, Clayfield	380,000.00	393,184.85
	380,000.00	393,184.85
	470,646.90	478,602.81
Other Assets		
Suncorp Cash Management Account	1,704.11	12,845.48
Sundry Debtors	826.10	1,725.00
Borrowing Costs	192.05	685.69
Income Tax Refundable (Note 6)	2,516.40	-
	5,238.66	15,256.17
	5,238.66	15,256.17
Total Assets	475,885.56	493,858.98
Less:		
Liabilities		
Income Tax Payable (Note 6)	-	41.70
PAYG Payable	2,604.00	2,604.00
Sundry Creditors	2,453.00	-
Creditors for Income Tax Payable	300.70	-
Loan - Suncorp	272,222.70	280,219.48
	277,580.40	282,865.18
	277,580.40	282,865.18
Net Assets Available to Pay Benefits	198,305.16	210,993.80
Represented by:		
Liability for Accrued Benefits (Notes 2, 3, 4)		
Grimbas, Stefanos	129,233.67	142,394.29
Grimbas, Natalie	69,071.49	68,599.51
	198,305.16	210,993.80
	198,305.16	210,993.80

The accompanying notes form part of these financial statements

S & N GRIMBAS SUPERANNUATION FUND
OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
Income		
Employer Contributions - Concessional	8,014.37	3,836.55
Interest Received	2,788.86	1,697.57
Member/Personal Contributions - Concessional (Taxable)	-	20,418.31
Rent Received	17,160.00	17,695.00
	27,963.23	43,647.43
Expenses		
Accountancy Fees	2,420.00	2,332.00
Administration Costs	302.00	296.00
ATO Supervisory Levy	259.00	259.00
Auditor's Remuneration	385.00	385.00
Bank Charges	240.00	200.00
Decrease in Market Value of Investments (Note 5)	13,184.85	-
Interest Paid	15,463.48	15,664.43
Rental Property Expenses	8,309.94	6,874.44
	40,564.27	26,010.87
Benefits Accrued as a Result of Operations before Income Tax	(12,601.04)	17,636.56
Income Tax (Note 6)		
Income Tax Expense	87.60	2,645.70
	87.60	2,645.70
Benefits Accrued as a Result of Operations	(12,688.64)	14,990.86

The accompanying notes form part of these financial statements

S & N GRIMBAS SUPERANNUATION FUND
DETAILED OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
Income		
Employer Contributions - Concessional		
Grimbas, Natalie	8,014.37	3,836.55
	8,014.37	3,836.55
Interest Received		
Suncorp Cash Management Account	8.55	18.21
Suncorp-Metway Fixed Term Deposit	2,780.31	1,679.36
	2,788.86	1,697.57
Member/Personal Contributions - Concessional (Taxable)		
Grimbas, Stefanos	-	20,418.31
	-	20,418.31
Rent Received		
1/51 Junction Road, Clayfield	17,160.00	17,695.00
	17,160.00	17,695.00
Revaluations		
Real Estate Properties (Australian)		
1/51 Junction Road, Clayfield	(13,184.85)	-
	(13,184.85)	-
	(13,184.85)	-
	14,778.38	43,647.43
Expenses		
Accountancy Fees	2,420.00	2,332.00
Administration Costs	302.00	296.00
ATO Supervisory Levy	259.00	259.00
Auditor's Remuneration	385.00	385.00
Bank Charges	240.00	200.00
Interest Paid	15,463.48	15,664.43
Rental Property Expenses		
Air Conditioner	80.37	-
Body Corporate Levies	2,641.87	2,764.50
Borrowing Costs	493.64	493.64
Council Rates	1,498.40	1,403.00
Insurance	329.00	-
Repairs & Maintenance	2,051.15	1,102.00
Water Rates	1,215.51	1,111.30

The accompanying notes form part of these financial statements

**S & N GRIMBAS SUPERANNUATION FUND
DETAILED OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
	8,309.94	6,874.44
	27,379.42	26,010.87
Benefits Accrued as a Result of Operations before Income Tax	(12,601.04)	17,636.56
Income Tax (Note 6)		
Income Tax Expense	87.60	2,645.70
	87.60	2,645.70
Benefits Accrued as a Result of Operations	(12,688.64)	14,990.86

The accompanying notes form part of these financial statements

S & N GRIMBAS SUPERANNUATION FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

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.

S & N GRIMBAS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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:

	2018	2017
	\$	\$
Liability for Accrued Benefits at beginning of period	210,993.80	196,002.94

Add:

S & N GRIMBAS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Benefits Accrued as a Result of Operations	(12,688.64)	14,990.86
- Adjustment of Deferred Tax Liability /Deferred Tax Asset	-	-
	198,305.16	210,993.80

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.

	2018	2017
	\$	\$
Vested Benefits	198,305.16	210,993.80

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:

	2018	2017
	\$	\$
Real Estate Properties (Australian)	(13,184.85)	-
	(13,184.85)	-

6. 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:

	2018	2017
	\$	\$
Benefits accrued as a result of operations before income tax	(12,601.04)	17,636.56
Prima facie income tax on accrued benefits	(1,890.16)	2,645.48
Add/(Less) Tax Effect of:		
Decrease in Market Value of Investments	1,977.73	-

S & N GRIMBAS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Other	.03	.22
	1,977.76	.22
Income Tax Expense	87.60	2,645.70

Income tax expense comprises:

Income Tax Payable/(Refundable)	(2,516.40)	41.70
Tax Instalments Paid	2,604.00	2,604.00
	87.60	2,645.70

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

	2018	2017
	\$	\$
Benefits accrued from operations after income tax	(12,688.64)	14,990.86
Add/(Less) non cash amounts included in benefits accrued from operations		
Rent Received	(7,143.01)	-
Accountancy Fees	2,068.00	-
ATO Supervisory Levy	259.00	-
Auditor's Remuneration	385.00	-
Decrease in Market Value of Investments	13,184.85	-
Rental Property Expenses	6,291.92	-
Income Tax Expense	87.60	2,645.70
Other non cash items	(2,604.00)	(2,604.15)
	12,529.36	41.55
Net cash provided by operating activities	(159.28)	15,032.41

8. 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:

	2018	2017
	\$	\$
Cash	1,704.11	12,845.48

S & N GRIMBAS SUPERANNUATION FUND
TRUSTEE: SNG SUPERANNUATION PTY LTD
ACN: 160 219 349
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 2018 present fairly, in all material respects, the financial position of the superannuation fund at 30 June 2018 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 2018.

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:

Stefanos Grimbas
Sng Superannuation Pty Ltd
Director

Natalie Grimbas
Sng Superannuation Pty Ltd
Director

DATED: 18/06/2019

**S & N GRIMBAS SUPERANNUATION FUND
SELF-MANAGED SUPERANNUATION FUND
INDEPENDENT AUDITOR'S REPORT**

Approved SMSF auditor details

Name	Tony Boys
Business name	
Business postal address	Po Box 3376
	Rundle Mall SA 5000
SMSF auditor number (SAN)	100014140

Self-managed superannuation fund details

Self-managed superannuation fund (SMSF) name	S & N Grimbas Superannuation Fund
Australian business number (ABN) or tax file number (TFN)	55332470631
Address	28/15 Vernon Terrace
	Teneriffe QLD 4005
Year of income being audited	2018

To the SMSF trustee

To the SMSF trustee of	S & N Grimbas Superannuation Fund
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S & N GRIMBAS 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, Operating Statement and a summary of significant accounting policies and other explanatory notes of the superannuation fund for the year ended 30 June 2018.

Trustees' Responsibility for the financial report

The trustees are responsible for the preparation and fair presentation of the financial report and has determined that the accounting policies used are consistent with the financial reporting requirements of the superannuation fund's governing rules, comply with the requirements of the Superannuation Industry (Supervision) Act 1993 (SIS Act) and the Superannuation Industry (Supervision) Regulations (SIS Regulations) and are appropriate to meet the needs of the members. The trustee's responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 them to the trustees. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

The financial report has been prepared for distribution to the members for the purpose of fulfilling the trustees' financial reporting requirements under the superannuation fund's governing rules and regulatory requirements.

I disclaim any assumption of responsibility for any reliance on this report, or on the financial statements to which it relates, to any person other than the members, or for any purpose other than that for which it was prepared.

My audit has been conducted in accordance with Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 judgement, 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 trustees' 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 trustees' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustees, 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 in the financial position of the fund at 30 June 2018 and the results of its operations for the year then ended.

PART B - COMPLIANCE

Trustees' responsibility for compliance

The trustees are responsible for complying with the requirements of the SIS Act and the SIS Regulations.

Auditor's responsibility

My responsibility is to express an opinion on compliance based on the audit. I have conducted tests in accordance with Australian Auditing Standards as necessary to provide reasonable assurance whether the trustees of the fund has complied, in all material respects, with the relevant requirements of the following provisions (to the extent applicable) of the SIS Act and the SIS Regulations.

Sections: 52(2)e, 52(2)d, 62, 65, 66, 67, 69-71E, 73-75, 80-85, 103, 106, 109, 111, 112, 113(1A), 121
Regulations: 4.09, 5.08, 6.17, 7.04, 13.12, 13.13, 13.14

**S & N GRIMBAS 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
S35AE	The trustees must keep and maintain accounting records for a minimum of five years
S35B	The trustees must prepare, sign and retain accounts and statements
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
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 exception) 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 exception)
S67A & 67B	The fund must comply with the limited recourse borrowing arrangement rules when borrowing to purchase single acquirable asset or replacement assets (not listed as an exception to the borrowing rules)
S82-85	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

**S & N GRIMBAS SUPERANNUATION FUND
 SELF-MANAGED SUPERANNUATION FUND
 INDEPENDENT AUDITOR'S REPORT**

Appendix 1 (Continued)

S104	The trustees must keep up to date records of all trustee or director of corporate trustee changes and trustee consents 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
S105	The trustees must ensure that copies of all member or beneficiary reports are kept for a minimum of 10 years
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 Schedule 7
Reg 4.09	Trustees must formulate, regularly review and give effect to an investment strategy for the fund
Reg 4.09A	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
Reg 5.03	Investment returns must be allocated to members in a manner that is fair and reasonable
Reg 5.08	Member minimum benefits must be maintained in the fund until transferred, rolled over, allotted (to the member's spouse) or cashed out 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	When preparing accounts and statements required by subsection 35B(1) of the SISA, 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

S & N GRIMBAS SUPERANNUATION FUND
STATEMENT OF TAXABLE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	2018
	\$
Benefits Accrued as a Result of Operations before Income Tax	(12,601.00)
Less:	
	<u>0.00</u>
	(12,601.00)
Add:	
Decrease in Market Value of Investments	<u>13,185.00</u>
	13,185.00
	<u>584.00</u>
Taxable Income	584.00
	<hr/>
Tax Payable on Taxable Income	87.60
Less:	
Instalments Paid	<u>2,604.00</u>
	2,604.00
	<u>(2,516.40)</u>
Income Tax Payable/(Refund)	(2,516.40)
Add:	
Supervisory levy	259.00
Total Amount Due or Refundable	(2,257.40)

S & N GRIMBAS SUPERANNUATION FUND

FINANCIAL STATEMENTS INDEX

Detailed Statement of Financial Position

Operating Statement

Detailed Operating Statement

Notes to the Financial Statements

Trustees Declaration

Audit Report

Statement of Taxable Income

Statement of Financial Position

S & N GRIMBAS SUPERANNUATION FUND
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	2018	2017
	\$	\$
Investments		
Fixed Interest Securities (Australian)	88,198.27	85,417.96
Plant and Equipment (at written down value)	2,448.63	-
Real Estate Properties (Australian)	380,000.00	393,184.85
	470,646.90	478,602.81
Other Assets		
Suncorp Cash Management Account	1,704.11	12,845.48
Sundry Debtors	826.10	1,725.00
Borrowing Costs	192.05	685.69
Income Tax Refundable (Note 6)	2,516.40	-
	5,238.66	15,256.17
Total Assets	475,885.56	493,858.98
Less:		
Liabilities		
Income Tax Payable (Note 6)	-	41.70
PAYG Payable	2,604.00	2,604.00
Sundry Creditors	2,453.00	-
Creditors for Income Tax Payable	300.70	-
Loan - Suncorp	272,222.70	280,219.48
	277,580.40	282,865.18
Net Assets Available to Pay Benefits	198,305.16	210,993.80
Represented by:		
Liability for Accrued Benefits (Notes 2, 3, 4)		
Grimbas, Stefanos	129,233.67	142,394.29
Grimbas, Natalie	69,071.49	68,599.51
	198,305.16	210,993.80

The accompanying notes form part of these financial statements