

PROSPERITY SUPER FUND

FINANCIAL STATEMENTS

AND REPORTS

FOR THE PERIOD 15 DECEMBER 2010 TO 30 JUNE 2011

**PROSPERITY SUPER FUND
FINANCIAL STATEMENTS INDEX**

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PROSPERITY SUPER FUND
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

June
2011
\$

Other Assets

Cash at Bank	85,590
	<hr/>
	85,590

Total Assets

85,590

Less:

Liabilities

Income Tax Payable (Note 4)	1,024
	<hr/>
	1,024

Net Assets Available to Pay Benefits

84,566

Represented by:

Liability for Accrued Benefits (Note 2)

Whitaker, Derek Aaron	68,155
Whitaker, Christie Lea	16,411
	<hr/>
	84,566

**PROSPERITY SUPER FUND
OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011**

	June 2011 \$	
Income		
Employer Contributions - Concessional	5,903	
Interest Received	927	
Transfers In - Preserved/Taxable	68,637	
Transfers In - Preserved/Tax Free	10,542	
Transfers In - Unrestricted Non Preserved/Tax Free	211	
Transfers In - Restricted Non Preserved/Tax Free	151	
	<hr/> 86,371	
Expenses		
Bank Charges	1	
Legal Fees	780	
	<hr/> 781	
Benefits Accrued as a Result of Operations before Income Tax	<hr/> 85,590	-
Income Tax (Note 4)		
Income Tax Expense	1,024	
	<hr/> 1,024	
Benefits Accrued as a Result of Operations	<hr/> <hr/> 84,566	-

PROSPERITY SUPER FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

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 needs of members.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the policies adopted in the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis. The accounting policies that have been adopted in the preparation of this report are as follows:

a. Measurement of Investments

Investments of the fund have been measured at net market values after allowing for costs of realisation. Changes in the net market value of assets are brought to account in the operating statement in the periods in which they occur.

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.

b. 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 sundry liabilities and income tax liabilities as at the end of the reporting date.

2. Liability for Accrued Benefits

Changes in the Liability for Accrued Benefits are as follows:

Liability for Accrued Benefits at beginning of period

PROSPERITY SUPER FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

June
2011
\$

Add:

- Increase in Accrued Benefits	84,566
- Adjustment of Deferred Tax Liability /Deferred Tax Asset	

Liability for Accrued Benefits at end of period	84,566
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3. 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:

Change in Net Market Value	
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4. 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	85,590
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Prima facie income tax on accrued benefits	12,838
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Add/(Less) Permanent/Timing Differences

Transfers In - Preserved/Taxable	(10,296)
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Transfers In - Preserved/Tax Free	(1,581)
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Transfers In - Unrestricted Non Preserved/Tax Free	(32)
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Transfers In - Restricted Non Preserved/Tax Free	(23)
--	------

Legal Fees	117
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Other

	(11,814)
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Income Tax Expense	1,024
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**PROSPERITY SUPER FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

June
2011
\$

Income tax expense comprises:

Income Tax Payable	<u>1,024</u>
	<u>1,024</u>

PROSPERITY SUPER FUND
TRUSTEE: ABUNDANT SEASONS PTY LTD
ACN: 147 850 084
TRUSTEES DECLARATION

The directors of the trustee company 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 directors of the trustee company:

- (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 directors of the trustee company by:

Derek Aaron Whitaker
Abundant Seasons Pty Ltd
Director

Christie Lea Whitaker
Abundant Seasons Pty Ltd
Director

DATED: / /

**PROSPERITY SUPER FUND
SELF-MANAGED SUPERANNUATION FUND
INDEPENDENT AUDITOR'S REPORT**

Auditor details

Name	Clifton, Stephen
Postal address	P.O. Box 445
	Subiaco WA 6904
Business name	Newcombe Clifton Atkins
Business Postal address	P.O. Box 445
	Subiaco WA 6904
Professional organisation	The Institute of Chartered Accountants in Australia
Professional membership or registration number	81330

Self-managed superannuation fund details

Self-managed superannuation fund (SMSF) name	PROSPERITY SUPER FUND
Australian business number or tax file number	31244001907
Address	P.O. Box 445
	Subiaco WA 6904
Year of income being audited	2011

To the trustee

To the trustee of	PROSPERITY SUPER FUND
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PROSPERITY SUPER 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.

Trustees Responsibility for the financial report

The trustees 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 trustees 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 trustees.

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 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, 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 Prosperity Super Fund meet the

PROSPERITY SUPER FUND
SELF-MANAGED SUPERANNUATION FUND
INDEPENDENT AUDITOR'S REPORT

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

Trustees' responsibility for compliance

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

Auditor's responsibility

My responsibility is to express an opinion on the trustees 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 trustees 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, 13.14¹

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 trustees has an investment strategy, that the trustees 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 opinion

In my opinion, the trustees of the fund have complied, in all material respects, with the requirements of the SISA or the SISR specified above, for the year ended 30 June 2011.

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

**PROSPERITY SUPER FUND
SELF-MANAGED SUPERANNUATION FUND
INDEPENDENT AUDITOR'S REPORT**

Signature of approved auditor :

.....

Stephen Clifton
Newcombe Clifton Atkins

Date :

/ /

**PROSPERITY SUPER 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
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)
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)

**PROSPERITY SUPER FUND
SELF-MANAGED SUPERANNUATION FUND
INDEPENDENT AUDITOR'S REPORT**

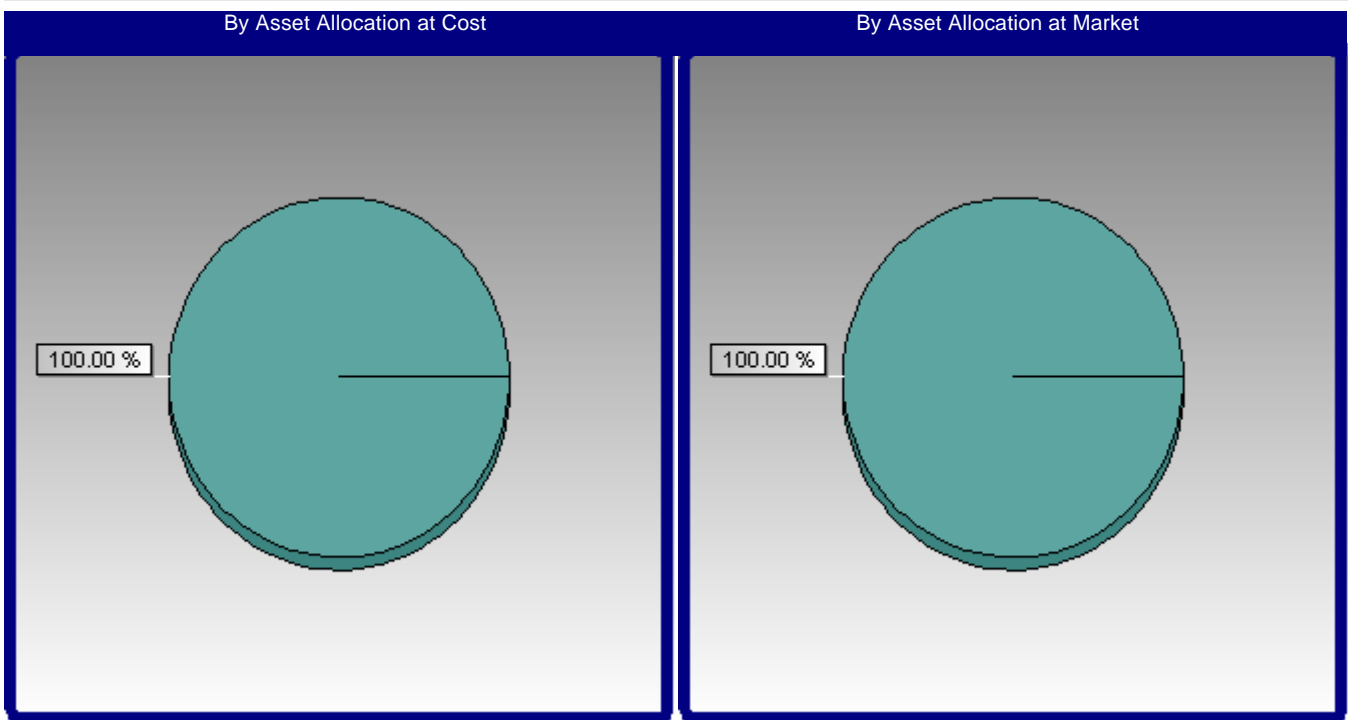
Appendix 1 (Continued)

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

PROSPERITY SUPER FUND
INVESTMENT SUMMARY REPORT (WITH YIELDS) AT 30 JUNE 2011

Investment	Units	Cost		Market		Income	Yield	
		Per unit	Total	Per unit	Total		Cost	Market
Cash/Bank Accounts								
Cash at Bank			85,590		85,590	927	1.08%	1.08%
			<u>85,590</u>		<u>85,590</u>	<u>927</u>		
			<u>85,590</u>		<u>85,590</u>	<u>927</u>		

**PROSPERITY SUPER FUND
INVESTMENT SUMMARY PIE CHARTS AT 30 JUNE 2011**



Asset Groups (by Asset Allocation)	Cost		Market	
	Amount	Percent	Amount	Percent
Cash	85,590	100.00%	85,590	100.00%
	85,590	100.00%	85,590	100.00%

**PROSPERITY SUPER FUND
INVESTMENT MOVEMENT REPORT AT 30 JUNE 2011**

Investment	Opening Balance		Additions		Disposals			Closing Balance		
	Units	Cost	Units	Cost	Units	Cost	Prof/(Loss)	Units	Cost	Market
Cash/Bank Accounts										
Cash at Bank				86,371			(781)		85,590	85,590
				86,371			(781)		85,590	85,590
				86,371			(781)		85,590	85,590
				86,371			(781)		85,590	85,590

