

# Trust - Annual Accounts

Pepper Tree Farm Stallion Equity Unit Trust

ABN 61 973 533 732

As at 30 June 2022

Prepared by Balance Accountants and Advisers

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# Balance Sheet

## Pepper Tree Farm Stallion Equity Unit Trust As at 30 June 2022

	NOTES	30 JUN 2022	30 JUN 2021
<b>Assets</b>			
<b>Current Assets</b>			
<b>Bank Accounts</b>			
Cash at Bank - Cheque Account		1,326	6,705
Cash at Bank - Other		199,000	148,000
<b>Total Bank Accounts</b>		<b>200,326</b>	<b>154,705</b>
<b>Inventories</b>			
Stock on Hand - Stallions		540,000	695,000
<b>Total Inventories</b>		<b>540,000</b>	<b>695,000</b>
<b>Taxation</b>			
ATO Integrated Client Account		-	421
<b>Total Taxation</b>		<b>-</b>	<b>421</b>
<b>Other Current Assets</b>			
Trade Debtors		-	4,753
<b>Total Other Current Assets</b>		<b>-</b>	<b>4,753</b>
<b>Total Current Assets</b>		<b>740,326</b>	<b>854,879</b>
<b>Total Assets</b>		<b>740,326</b>	<b>854,879</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
<b>Taxation</b>			
GST		16,168	13,943
<b>Total Taxation</b>		<b>16,168</b>	<b>13,943</b>
<b>Total Current Liabilities</b>		<b>16,168</b>	<b>13,943</b>
<b>Non-Current Liabilities</b>			
Beneficiaries' Accounts		3,158	5,936
<b>Total Non-Current Liabilities</b>		<b>3,158</b>	<b>5,936</b>
<b>Total Liabilities</b>		<b>19,326</b>	<b>19,879</b>
<b>Net Assets</b>		<b>721,000</b>	<b>835,000</b>
<b>Equity</b>			
<b>Trust Funds</b>			
Trust Funds - 3,110,000 Issued Units		721,000	835,000
<b>Total Trust Funds</b>		<b>721,000</b>	<b>835,000</b>
<b>Total Equity</b>		<b>721,000</b>	<b>835,000</b>

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

# Beneficiary Accounts

## Pepper Tree Farm Stallion Equity Unit Trust For the year ended 30 June 2022

	2022	2021
<b>Beneficiary Accounts</b>		
<b>Beneficiaries Accounts Summary</b>		
Opening Balance	5,936	3,995
Funds Drawn	(5,936)	(3,995)
Profit Distributed	3,158	5,936
<b>Total Beneficiaries Accounts Summary</b>	<b>3,158</b>	<b>5,936</b>
<b>Detailed Beneficiary Accounts</b>		
<b>R &amp; J Vandyke</b>		
Opening Balance	3,340	2,248
Drawings - R & J Vandyke	(3,340)	(2,248)
Share of Profit - R & J Vandyke	1,777	3,340
<b>Total R &amp; J Vandyke</b>	<b>1,777</b>	<b>3,340</b>
<b>Christie Rothwell</b>		
Opening Balance	353	238
Drawings - Christie Rothwell	(353)	(238)
Share of Profit - Christie Rothwell	188	353
<b>Total Christie Rothwell</b>	<b>188</b>	<b>353</b>
<b>Thomas Newham</b>		
Opening Balance	95	64
Drawings - Thomas Newham	(95)	(64)
Share of Profit - Thomas Newham	51	95
<b>Total Thomas Newham</b>	<b>51</b>	<b>95</b>
<b>Elite Superannuation Fund</b>		
Opening Balance	191	128
Drawings - Elite Superannuation Fund	(191)	(128)
Share of Profit - Elite Superannuation Fund	102	191
<b>Total Elite Superannuation Fund</b>	<b>102</b>	<b>191</b>
<b>Elite Bloodstock Pty Ltd</b>		
Opening Balance	191	128
Drawings - Elite Bloodstock Pty Ltd	(191)	(128)
Share of Profit - Elite Bloodstock Pty Ltd	102	191
<b>Total Elite Bloodstock Pty Ltd</b>	<b>102</b>	<b>191</b>
<b>Kramerica Industries Superannuation Fund</b>		
Opening Balance	95	64
Drawings - Kramerica Industries Superannuation Fund	(95)	(64)
Share of Profit - Kramerica Industries Superannuation Fund	51	95
<b>Total Kramerica Industries Superannuation Fund</b>	<b>51</b>	<b>95</b>
<b>Robert Watson</b>		
Opening Balance	191	128

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

	2022	2021
Drawings - Robert Watson	(191)	(128)
Share of Profit - Robert Watson	102	191
<b>Total Robert Watson</b>	<b>102</b>	<b>191</b>
<b>Nevana Superannuation Fund</b>		
Opening Balance	95	64
Drawings - Nevana Superannuation Fund	(95)	(64)
Share of Profit - Nevana Superannuation Fund	51	95
<b>Total Nevana Superannuation Fund</b>	<b>51</b>	<b>95</b>
<b>Khaliffa Superannuation Fund</b>		
Opening Balance	95	64
Drawings - Khaliffa Superannuation Fund	(95)	(64)
Share of Profit - Khaliffa Superannuation Fund	51	95
<b>Total Khaliffa Superannuation Fund</b>	<b>51</b>	<b>95</b>
<b>Fisher Superannuation Fund</b>		
Opening Balance	95	64
Drawings - Fisher Superannuation Fund	(95)	(64)
Share of Profit - Fisher Superannuation Fund	51	95
<b>Total Fisher Superannuation Fund</b>	<b>51</b>	<b>95</b>
<b>McCloy Superannuation Fund</b>		
Opening Balance	573	385
Drawings - McCloy Superannuation Fund	(573)	(385)
Share of Profit - McCloy Superannuation Fund	305	573
<b>Total McCloy Superannuation Fund</b>	<b>305</b>	<b>573</b>
<b>Emmett &amp; Co Staff Pension Fund</b>		
Opening Balance	286	193
Drawings - Emmett & Co Staff Pension Fund	(286)	(193)
Share of Profit - Emmett & Co Staff Pension Fund	152	286
<b>Total Emmett &amp; Co Staff Pension Fund</b>	<b>152</b>	<b>286</b>
<b>Peter Connolly</b>		
Opening Balance	72	48
Drawings - Peter Connolly	(72)	(48)
Share of Profit - Peter Connolly	38	72
<b>Total Peter Connolly</b>	<b>38</b>	<b>72</b>
<b>Raymond Connolly</b>		
Opening Balance	72	48
Drawings - Raymond Connolly	(72)	(48)
Share of Profit - Raymond Connolly	38	72
<b>Total Raymond Connolly</b>	<b>38</b>	<b>72</b>
<b>Lex Crosby</b>		
Opening Balance	191	128
Drawings - Lex Crosby	(191)	(128)

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	2022	2021
Share of Profit - Kenneth Lex Crosby	102	191
<b>Total Lex Crosby</b>	<b>102</b>	<b>191</b>
<b>Total Detailed Beneficiary Accounts</b>	<b>3,158</b>	<b>5,936</b>

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

# Income Statement

## Pepper Tree Farm Stallion Equity Unit Trust For the year ended 30 June 2022

	NOTES	2022	2021
<b>Income</b>			
Trading Profit		6,643	(6,232)
<b>Total Income</b>		<b>6,643</b>	<b>(6,232)</b>
<b>Other Income</b>			
<b>Stakes Income</b>			
Stakes Income		5,660	12,857
<b>Total Stakes Income</b>		<b>5,660</b>	<b>12,857</b>
Interest Received - Bank		7	1
<b>Total Other Income</b>		<b>5,666</b>	<b>12,858</b>
<b>Total Income</b>		<b>12,309</b>	<b>6,626</b>
<b>Expenses</b>			
Accountancy Fees		3,500	690
Licences, Registrations & Nominations		80	-
Stakes Payments - US		5,571	-
<b>Total Expenses</b>		<b>9,151</b>	<b>690</b>
<b>Profit / (Loss) Before Distribution</b>		<b>3,158</b>	<b>5,936</b>
<b>Distribution of Trust Income</b>			
Trust Income Distributed		3,158	5,936
<b>Total Distribution of Trust Income</b>		<b>3,158</b>	<b>5,936</b>
<b>Undistributed Income</b>		<b>-</b>	<b>-</b>

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

# Trading Statement

## Pepper Tree Farm Stallion Equity Unit Trust For the year ended 30 June 2022

	NOTES	2022	2021
<b>Trading Income</b>			
<b>Sales</b>			
<b>Trading Revenue</b>			
Distribution (Australia)		156,380	90,397
Distribution (New Zealand)		5,263	8,371
<b>Total Trading Revenue</b>		<b>161,643</b>	<b>98,768</b>
<b>Total Sales</b>		<b>161,643</b>	<b>98,768</b>
<b>Cost of Sales</b>			
Opening Stock - Stallions		695,000	800,000
Closing Stock - Stallions		(540,000)	(695,000)
<b>Total Cost of Sales</b>		<b>155,000</b>	<b>105,000</b>
Gross Profit		6,643	(6,232)
Gross Profit (%)		4	(6)

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.



# Notes to the Financial Statements

## Pepper Tree Farm Stallion Equity Unit Trust For the year ended 30 June 2022

### 1. Statement of Significant Accounting Policies

The trustees have prepared the financial statements of the trust on the basis that the trust 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, the information needs of stakeholders and for the basis of preparation of the income tax return. 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 purposes of preparation. Such accounting policies are consistent with the previous period unless stated otherwise. The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The financial statements were authorised for issue on 25 July 2022 by the trustees.

#### Income Tax

The income tax expense for the year comprises current income tax expense. The trust does not apply deferred tax.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities are therefore measured at the amounts expected to be paid to / recovered from the relevant taxation authority.

#### Property, Plant and Equipment

Property, plant and equipment is initially recorded at the cost of acquisition or fair value less, if applicable, any accumulated depreciation and impairment losses. Plant and equipment that has been contributed at no cost, or for nominal cost, is valued and recognised at the fair value of the asset at the date it is acquired. The plant and equipment is reviewed annually by directors to ensure that the carrying amount is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the utilisation of the assets and the subsequent disposal. The expected net cash flows have been discounted to their present values in estimating recoverable amounts.

Freehold land and buildings are measured at their fair value, based on periodic, but at least triennial, valuations by independent external valuers, less subsequent depreciation for buildings.

Increases in the carrying amount of land and buildings arising on revaluation are credited in equity to a revaluation surplus. Decreases against previous increases of the same asset are charged against fair value reserves in equity. All other decreases are charged to profit or loss.

Any accumulated depreciation at the date of revaluation is offset against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

#### Intangibles

Goodwill is recognised as the excess of the purchase price for a business acquired over the fair value of the net assets at the date of acquisition. Goodwill is assessed for impairment annually and is carried at cost less accumulated impairment losses.

#### Trade and Other Receivables

Trade receivables and other receivables, including distributions receivable, are recognised at the nominal transaction value without taking into account the time value of money. If required a provision for doubtful debt has been created.

#### Financial Assets

Investments held are originally recognised at cost, which includes transaction costs. They are subsequently measured at fair value which is equivalent to their market bid price at the end of the reporting period. Movements in fair value are recognised through an equity reserve.

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These notes should be read in conjunction with the attached compilation report.

### **Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the trust that remain unpaid at 30 June 2018. Trade payables are recognised at their transaction price. They are subject to normal credit terms and do not bear interest.

### **Employee Benefits**

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related costs.

### **Provisions**

Provisions are recognised when the trust has a legal or constructive obligation resulting from past events, for which it is probable that there will be an outflow of economic benefits and that outflow can be reliably measured. Provisions are measured using the best estimate available of the amounts required to settle the obligation at the end of the reporting period.

### **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

### **Revenue Recognition**

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Revenue from the rendering of services is recognised upon the delivery of the services to customers.

Revenue from commissions is recognised upon delivery of services to customers.

Revenue from interest is recognised using the effective interest rate method.

Revenue from dividends is recognised when the entity has a right to receive the dividend.

All revenue is stated net of the amount of goods and services tax (GST).

### **Goods and Services Tax**

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

# Directors Declaration of the Trustee Company

## Pepper Tree Farm Stallion Equity Unit Trust For the year ended 30 June 2022

The directors of the trustee company declare that Pepper Tree Farm Stallion Equity Unit Trust is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 of the financial statements.

In accordance with a resolution of the Board of Directors, the directors of the trustee company declare that:

1. The financial statements and notes present fairly Pepper Tree Farm Stallion Equity Unit Trust's financial position as at 30 June 2022 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 of the financial statements.
2. In the directors opinion there are reasonable grounds to believe that Pepper Tree Farm Stallion Equity Unit Trust will be able to pay its debts as and when they become due and payable.

Director: Robert Vandyke \_\_\_\_\_

Director: Julie Vandyke \_\_\_\_\_

Date: 6 September 2022

# Compilation Report

## Pepper Tree Farm Stallion Equity Unit Trust For the year ended 30 June 2022

Compilation report to Pepper Tree Farm Stallion Equity Unit Trust

We have compiled the accompanying special purpose financial statements of Pepper Tree Farm Stallion Equity Unit Trust, which comprise the balance sheet as at 30 June 2022, the income statement, the statement of cash flows, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1.

### The Responsibility of the Directors

The directors of the trustee company are 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 financial statements were prepared.

### Our Responsibility

On the basis of information provided by the directors we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting as described in Note 1 to the financial statements and APES 315 *Compilation of Financial Information*.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with 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 provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

The special purpose financial statements were compiled exclusively for the benefit of the directors who are responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility for the contents of the special purpose financial statements.

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Andrew Pullen - Partner B.Bus CA JP

### Balance Accountants & Advisers

Chartered Accountant

18 Redfern Street, Cowra, NSW, 2794

Dated: 17 August 2022.