

**S & C McLean Retirement Fund**  
**Statement of Financial Position**  
as at 30 June 2019

	<b>2019</b>	<b>2018</b>
	\$	\$
<b>Assets</b>		
Investments		
Direct Property	2,400,000.00	2,400,000.00
Other Assets		
Cash At Bank	151,077.45	22,185.50
Receivables	-	600.03
<b>Total Assets</b>	<b>2,551,077.45</b>	<b>2,422,785.53</b>
 <b>Liabilities</b>		
Borrowings	333,609.94	351,059.55
Income Tax Payable	6,168.50	(2,410.95)
Deferred Tax Liability	56,098.35	51,254.70
Other Taxes Payable	7,105.68	1,265.97
<b>Total Liabilities</b>	<b>402,982.47</b>	<b>401,169.27</b>
 <b>Net Assets Available to Pay Benefits</b>	 <b>2,148,094.98</b>	 <b>2,021,616.26</b>
<i>Represented by:</i>		
<b>Liability for Accrued Benefits</b>		
Mr Scott McLean	1,074,047.55	1,010,808.16
Mrs Cheryl McLean	1,074,047.43	1,010,808.10
<b>Total Liability for Accrued Benefits</b>	<b>2,148,094.98</b>	<b>2,021,616.26</b>

*The accompanying notes form part of these financial statements.*

**S & C McLean Retirement Fund**  
**Operating Statement**  
**For the period 1 July 2018 to 30 June 2019**

	2019	2018
	\$	\$
<b>Income</b>		
Investment Gains		
Increase in Market Value	7,797.15	382,755.85
Investment Income		
Interest	301.60	483.93
Rent	198,504.53	158,785.61
	<u>206,603.28</u>	<u>542,025.39</u>
<b>Expenses</b>		
Other Expenses		
Accountancy Fee	3,659.70	2,640.00
Auditor Fee	385.00	385.00
Bank Fees	4,332.15	6,346.74
Depreciation	7,797.15	5,315.30
Interest Paid	17,089.24	15,325.68
Property Expenses	27,233.17	35,519.73
Regulatory Fees	316.00	302.00
SMSF Supervisory Levy	259.00	259.00
	<u>61,071.41</u>	<u>66,093.45</u>
<b>Benefits Accrued as a Result of Operations before Income Tax</b>	<b>145,531.87</b>	<b>475,931.94</b>
<b>Income Tax</b>		
Income Tax Expense	19,053.15	50,359.05
	<u>19,053.15</u>	<u>50,359.05</u>
<b>Benefits Accrued as a Result of Operations</b>	<b><u>126,478.72</u></b>	<b><u>425,572.89</u></b>

*The accompanying notes form part of these financial statements.*

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**S & C McLean Retirement Fund**  
**Notes to the Financial Statements**  
**As at 30 June 2019**

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**Note 1 - Statement of Significant Accounting Policies**

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements. They have been consistently applied in the current and previous periods unless otherwise stated to ensure the financial information satisfies the concept of relevance and reliability.

**(a) Statement of Compliance**

The trustees have prepared the financial statements on the basis that the superannuation fund is a non-reporting entity because the members are able to command the preparation of tailored reports so as to satisfy specifically all of their information needs and there are no other users dependent on the financial statements. The financial statements are therefore special purpose financial statements that have been prepared in accordance with the legislative requirements of the *Superannuation Industry (Supervision) Act 1993* and *Regulations 1994* and the provisions of the Trust Deed. The trustees have determined that the accounting policies adopted are appropriate to meet their needs.

**(b) Basis of Preparation**

The financial statements have been prepared on a cash basis using historical costs convention unless stated otherwise. For investments and financial liabilities, they are measured at market values.

The financial statements are presented in Australian dollars, which is the functional currency of the fund.

**(c) Use of 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. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. 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.

**(d) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks or financial institutions and short-term, highly liquid investments that are readily convertible to cash and are subject to an insignificant risk of change in value.

**(e) Foreign Currency**

Any foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Exchange differences are recognised in the operating statement in the period in which they arise.

**(f) Valuation of Assets**

*Investment*

An investment is initially recognised when as a result of past transactions or events, the Fund controls the future economic benefits expected to flow from the asset.

The investment assets are firstly recorded at cost, being the fair value of the consideration given. After initial recognition, they are measured at market value. Gains or losses arising from changes in market value are recognised on the Operating Statement in the periods in which they occur.

Market value as defined in s10 of *SISA 1993*, in relation to an asset, means the amount that a willing buyer of the asset could reasonably be expected to pay to acquire the asset from a willing seller if the following assumptions were made:

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

As disposal costs are generally immaterial unless otherwise stated, market value approximates fair value.

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## S & C McLean Retirement Fund

### Notes to the Financial Statements

#### As at 30 June 2019

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Market values for various types of investment have been determined as follows:

- i. listed securities, government and other fixed interest securities for which there is a readily available market quotation, the valuation is recorded as the last quoted sale price as at the close of business on reporting date. If the listed securities are foreign, they are also converted to Australian dollars using the exchange rate at the close of business on the reporting date;
- ii. unit trusts and managed funds are stated by reference to the unit redemption price quoted by the fund manager at the end of the reporting period;
- iii. unlisted investments are stated at the Trustees' valuation based on estimated market value at balance date; or where necessary, upon external valuers' expert opinions;
- iv. Investment properties are carried at market value and are held for the purpose of generating long-term rental yields and capital appreciation. The Trustees give consideration to the value of the investment property each financial year and revalue when a significant event occurs or when deemed appropriate. Where an external valuation has been obtained, the valuation is based on objective and supportable data and has been carried out by a property valuation service provider or qualified independent valuer as appropriate.

#### *Financial Liabilities*

The Fund initially recognises a financial liability on the date it becomes a party to the contractual provisions of the instrument.

Financial liabilities including credit balances of hedging instruments and derivatives are measured at market values as at the reporting date. Any change in market values of the financial liabilities since the beginning of the reporting period shall be included in the profit or loss for the reporting period. As disposal costs are generally immaterial, unless otherwise stated, market value approximates fair value.

#### *Receivables and Payables*

Current assets such as accounts receivable, which are expected to be recovered within twelve months after the reporting period, are carried at nominal amounts which approximate the fair values.

Accounts payable are recognised when the Fund becomes obliged to make future payments resulting from the goods and services received, whether or not billed to the Fund and are carried at nominal amounts which are equivalent to fair values.

### **(g) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable. The following recognition criteria relate to the specific items of revenue the Fund receives:

#### *Interest*

The interest revenue is recognised by the Fund on a cash receipt basis, unless the Fund chooses the accrual method and the amount can be reliably measured by reference to the principal outstanding and using the effective interest rate of the instrument calculated at the acquisition or origination date.

#### *Dividend Revenue*

The entitlement to a dividend is based on the date the shares are quoted ex-dividend; the actual dividend revenue is recognised by the Fund when it is received.

#### *Distribution Revenue*

Distributions from unit trusts and managed funds 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 market value.

#### *Rental Income*

Rent from investment properties is recognised by the Fund on a cash receipt basis.

#### *Movement in market values*

Changes in the market value of investments are determined as the difference between the market value at balance date or consideration received (if sold during the year) and the market value as at the prior year end or cost (if the investment was acquired during the period). All movements are recognised in the Operating Statement.

#### *Contributions and Rollovers In*

Contributions and rollovers in are recognised when the control and the benefits from the revenue have been attained and

**S & C McLean Retirement Fund**  
**Notes to the Financial Statements**  
**As at 30 June 2019**

**(h) Income Tax**

The income tax on the benefits accrued as a result of operations for the year comprises current and deferred tax. Income tax expense is recognised in the Operating Statement.

Current income tax expense is calculated by reference to the amount of income taxes payable in respect of the taxable income for the year using tax rates enacted or substantively enacted by reporting date and any adjustment to tax payable in respect of previous years. 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 any unused tax losses.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the assets are realised or the liabilities are settled and their measurements also reflect the manner in which the Trustees expect to recover or settle the carrying amounts of the related assets or liabilities.

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 assets can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent it is no longer probable that the related tax benefits will be realised.

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 when a legally enforceable right of set-off exists, they relate to income taxes levied by the same taxation authority and the fund intends to settle the tax assets and liabilities on a net basis in future when they are realised.

The financial report was authorised for issue on 06 September 2019 by the directors of the trustee company.

**Note 2 – 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. Changes in the Liability for Accrued Benefits are as follows:

	<b>Current</b>	<b>Previous</b>
<b>Liability for Accrued Benefits at beginning of period</b>	2,021,616.26	1,596,043.37
Benefits Accrued during the period	126,478.72	425,572.89
Benefits Paid during the period	0.00	0.00
<b>Liability for Accrued Benefits at end of period</b>	<b>2,148,094.98</b>	<b>2,021,616.26</b>

Any amount in the Unallocated Contributions account represent amounts that have been received by the fund from either the members of the fund or a third party but have not been allocated to any specific member as at the reporting date. It is the intention of the trustee to allocate any such amounts recorded as unallocated contributions within 28 days following the end of the month to specific fund member, which will increase the liability for members accrued benefits.

**Note 3 – Vested Benefits**

Vested benefits are benefits which are not conditional upon continued membership of the fund (or any factor other than resignation from the plan) and include benefits which members were entitled to receive had they terminated their fund membership as at the reporting period.

	<b>Current</b>	<b>Previous</b>
<b>Vested Benefits at beginning of period</b>	2,021,616.26	1,596,043.37
Benefits Accrued during the period	126,478.72	425,572.89
Benefits Paid during the period	0.00	0.00
<b>Vested Benefits at end of period</b>	<b>2,148,094.98</b>	<b>2,021,616.26</b>

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**S & C McLean Retirement Fund**  
**Notes to the Financial Statements**  
**As at 30 June 2019**

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**Note 4 – Guaranteed Benefits**

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

**Note 5 – Funding Arrangements**

No fixed funding arrangements were in place for the Fund as at year end.

**Note 6A – Direct Property**

	<b>Current</b>	<b>Previous</b>
At market value:		
36-38 port Stephens Street Raymond Terrace	2,400,000.00	2,400,000.00
	<u>2,400,000.00</u>	<u>2,400,000.00</u>

**Note 7A – Interest**

	<b>Current</b>	<b>Previous</b>
Westpac Bank Account	301.60	483.93
	<u>301.60</u>	<u>483.93</u>

**Note 7B – Rent**

	<b>Current</b>	<b>Previous</b>
36-38 port Stephens Street Raymond Terrace	198,504.53	158,785.61
	<u>198,504.53</u>	<u>158,785.61</u>

**Note 8A – Increase in Market Value**

	<b>Current</b>	<b>Previous</b>
<b>Direct Property</b>		
36-38 port Stephens Street Raymond Terrace	7,797.15	382,755.85
	<u>7,797.15</u>	<u>382,755.85</u>

**Compilation Report to the Trustees and Members of  
S & C McLean Retirement Fund**

**ABN 68 633 577 977  
For the period 01 July 2018 to 30 June 2019**

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On the basis of the information provided by the Trustees of S & C McLean Retirement Fund, we have compiled the accompanying special purpose financial statements of S & C McLean Retirement Fund for the period ended 30 June 2019, which comprise the Statement of Financial Position, Operating Statement, 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 to the financial statements.

**The Responsibility of Trustees**

The Trustees of S & C McLean Retirement Fund 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 financial reporting framework / basis of accounting used is appropriate to meet the needs of the members and for the purpose that the financial statements were prepared.

**Our Responsibility**

On the basis of information provided by the Trustees of S & C McLean Retirement Fund, we have compiled the accompanying special purpose financial statements in accordance with the financial reporting framework/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 financial reporting framework / 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***.

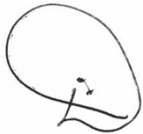
**Assurance Disclaimer**

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<sup>1</sup> on these financial statements

The special purpose financial statements were compiled exclusively for the benefit of the Trustees of the fund 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.

Signature of Accountant

Dated: 06 September 2019



.....  
**Name of Signatory:** Mr Dene Kilpatrick

**Address:** Level 4  
16A Bolton Street  
Newcastle, NSW 2300

<sup>1</sup> Refer to AUASB Standards for the issuance of audit opinions and review conclusions

# S & C McLean Retirement Fund

## Trustee Declaration

In the opinion of the Trustees of the S & C McLean Retirement Fund.

The Fund is not a reporting entity and this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to these financial statements.

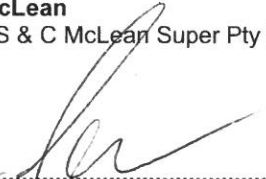
- (i) the financial statements and notes to the financial statements for the year ended 30 June 2019 present fairly the financial position of the Fund at 30 June 2019 and the results of its operations for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements; and
- (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 Fund has been carried out in accordance with its Trust Deed and in compliance with the requirements of the Superannuation Industry (Supervision) Act 1993 during the year ended 30 June 2019.

Signed in accordance with a resolution of the directors of S & C McLean Super Pty Ltd by:



.....  
**Cheryl McLean**  
Director: S & C McLean Super Pty Ltd

Dated: 10.9.19.....



.....  
**Scott McLean**  
Director: S & C McLean Super Pty Ltd

Dated: 10.9.19.....





**MINUTES OF THE MEETING OF THE DIRECTOR(S) OF THE CORPORATE TRUSTEE S & C MCLEAN SUPER PTY LTD ATF S & C MCLEAN RETIREMENT FUND HELD ON ...../...../..... AT 2 THE BOWSPRIT, TWEED HEADS NSW**

**PRESENT**

Cheryl McLean

Scott McLean

**APPROVAL OF PREVIOUS MINUTES:**

It was resolved that the minutes of the previous meeting had been signed as a true and correct record.

**PROPERTY VALUATIONS:**

In respect of the year ending 30 June 2019, it was resolved that the trustees revalue the properties set out below in respect of the effective dates specified.

Giving consideration to the fund's circumstances and the value of the fund's assets that property represents, the trustees have obtained property valuations from the sources listed below.

The trustees have reviewed the content and assumptions within and believe the valuations supplied fairly represent the value and attributes of the properties held.

The trustees resolved to accept the valuations obtained on the basis that the valuations are based on objective and supportable data; are representative of the assets owned by the fund; and are indicative of market conditions as at the effective dates.

After consideration from the trustees, it was also resolved to carry forward valuations from prior years where appropriate. The trustees are of the opinion that the valuations continue to be relevant and appropriate and have been obtained within a suitable time frame to still be applied.

**Address:** Not Supplied Australia

Valuation	Effective Date	Valuation Date	Type	Source
2,400,000.00	30 Jun 2019	15 Feb 2019	Trustee Valuation	Preston

**ALLOCATION OF NET INCOME:**

It was resolved that the income of the fund be proportionally allocated to members based on the members' daily weighted average balances. The following amounts of income, and related amounts of tax, are to be credited to / debited from member accounts:

	Income	Fund Tax	Conts Tax	Direct Tax
<i>Mr Scott McLean</i> Accumulation	72,765.92	9,526.53	0.00	0.00
<i>Mrs Cheryl McLean</i> Accumulation	72,765.95	9,526.62	0.00	0.00

**REPORTING ENTITY CONCEPT:**

It was resolved that, in the opinion of the trustee, the fund is not a reporting entity because it is unlikely that users exist who are unable to command the preparation of reports tailored so as to satisfy specifically all their information needs.

Therefore, the financial statements for the fund are to be prepared on the basis of the fund being a "non-reporting entity", and will therefore take the form of Special Purpose Financial Reports.

**REPORTS AND STATEMENTS:**

The Financial Reports consisting of Statement of Financial Position, Operating Statement and Notes to the Financial Statements, Trustee's Declaration, Compilation Report, Auditor's Report and Member Statement for the period ended 30 June 2019 were tabled for consideration at the meeting.

It was resolved that the financial statements be adopted in their present format and that the statement by the trustees attached to the financial reports be signed by the Trustees, stating that:

1. the financial statements are drawn up so as to present fairly the financial position of the fund as at 30 June 2019, the benefits accrued as a result of operations and its cash flow for the year then ended;
2. the financial statements have been prepared in accordance with the requirements of the trust deed and Australian Accounting Standards as noted in Note 1 to the Financial Statements and
3. the fund has operated substantially in accordance with the trust deed and the requirements of the *Superannuation Industry (Supervision) Act 1993 (SISA)*, during the year ended 30 June 2019.

**INCOME TAX RETURN:**

The completed Self-Managed Superannuation Fund Annual Return for the financial year ended 30 June 2019 was tabled for consideration at the meeting.

It was resolved that:

1. the particulars contained in the 2019 income tax return and the relevant records used to ascertain the taxable income, as shown, derived by the fund from all sources in and out of Australia during the year of income are true and correct and;
2. the fund satisfies the statutory requirements and conditions applicable to be classified as a 'Regulated Superannuation Fund/Complying Superannuation Fund' for the year of income and;
3. the income tax return be adopted in its present format and that the Return be signed by the Trustees.

**REVIEW OF INVESTMENT STRATEGY:**

The fund's investment performance for the year ended 30 June 2019 and existing investment strategy have been reviewed by the Trustees, after considering:

1. the risk involved in making, holding and realising, and the likely return from, the fund's investments having regard to its objectives and its expressed cash flow requirements;
2. the composition of the fund's investments as a whole including the extent to which the investments are diverse or involve the funds being exposed to risks from inadequate diversification;
3. the liquidity of the fund's investments having regard to its expected cash flow requirements;
4. the ability of the fund to discharge its existing and prospective liabilities;
5. whether the fund should hold a contract of insurance that provides insurance cover for members of the fund; and
6. the effect of the fund's investments on the above requirements and all matters relating to the prudential nature of the investment being continuously monitored, regularly reviewed and to make sure they adhere to fund's investment objectives and relevant legislation.

It was resolved that the aims and objectives of the investment strategy were being achieved and that the said investment strategy requires no further modification or adoption at this time.

**TRUSTEE AND MEMBER STATUS:**

Each of the trustee(s) confirmed that they are qualified to act as trustee(s) of the fund and that they are not disqualified persons as defined by Section 120 of the SISA.

Each of the member(s) confirmed that they are a member of the fund and agreed to be bound by the provisions contained within the Trust Deed of the fund (and any subsequent amendments).

**AUDITOR:**

It was resolved that

Karen Stewart  
of

PO Box 296  
Camden, NSW 2570

act as the auditor of the fund for the next financial year.

**TAX AGENT:**

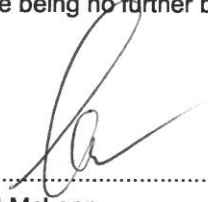
It was resolved that

Mr Dene Kilpatrick  
of  
Visionary Advisors  
Level 4  
16A Bolton Street  
Newcastle, NSW 2300

act as the tax agent of the fund for the next financial year.

**CLOSURE:**

There being no further business the meeting was closed.



.....  
Scott McLean  
Chairperson

Dated: 10/9/19



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T: (02) 4655 7873 F: (02) 4655 7874

**19<sup>th</sup> August 2019**

The Trustees,  
**S & C McLean Retirement Fund**  
**PO Box 1798**  
**NEWCASTLE NSW 2300**

Dear Sir / Madam,

**RE: APPOINTMENT AS AUDITOR**

You have requested I act as auditor of the **S & C McLean Retirement Fund**, as of, and for the period ended 30 June, 2019. I am pleased to confirm my acceptance of the appointment and would now like to set out my understanding of the terms of this engagement.

**Audit of the Financial Report**

In accordance with Section 35C of the Superannuation Industry (Supervision) Act 1993 (“SIS”), the financial report of a regulated superannuation fund must be audited by an approved auditor. The auditor must give the trustee a report on the special purpose financial report in the approved form within the prescribed time after the year of income to which the financial report relates.

The work undertaken by me to form an opinion is permeated by judgement, in particular regarding the nature, timing and extent of the audit procedures for gathering of audit evidence and the drawing of conclusions based on the audit evidence gathered. In addition, there are inherent limitations in any audit, and these include the use of testing, the inherent limitations of any internal control structure, the possibility of collusion to commit fraud, and the fact that most audit evidence is persuasive rather than conclusive. As a result, my audit can only provide reasonable – not absolute – assurance that the financial report is free from material misstatement.

I direct your attention to the fact that it is each trustee’s responsibility for the maintenance of adequate accounting records and internal controls, the safeguarding of superannuation fund assets, the selection of accounting policies, the preparation of the special purpose financial report and returns, and compliance with SIS. I note each trustee is responsible for providing access to all information that is relevant to the preparation of the financial report, and any additional information that may be required as part of the audit. In particular, I note each trustee is responsible for the implementation and operation of accounting and internal control systems that are designed to prevent and detect fraud and error.

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The audit of the financial report does not relieve the trustee of their individual responsibilities.

My audit will be conducted in accordance with Australian Auditing Standards. The objective of the audit is to obtain a reasonable assurance about whether the special purpose financial report as a whole is free from material mis-statement, whether due to fraud or error and to issue an audit report on the financial report.

My audit work involves examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report in order to form an opinion as to whether, in all material respects, the financial report is fairly stated in accordance with the accounting policies described in the notes thereto.

My audit will be planned and conducted primarily to enable me to express my professional opinion as to whether the financial report complies with Australian Accounting Standards and other reporting requirements as adopted by the trustee, but, also, so as to have reasonable expectation of detecting material misstatements arising as a result of irregularities which would have a material effect on the financial report. Unless otherwise agreed to, I assume no responsibility to design audit procedures to identify matters that may be appropriate to report to you.

As part of my audit, I will request from the trustees written confirmation concerning representations made to me in connection with the audit.

I am required by the Australian Auditing Standards to include an Emphasis of Matter paragraph in my audit report, and I note the anticipated wording will be:

Without modifying my opinion, I draw attention to note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared to assist the fund meet the requirements of the SMSF's governing rules, the Superannuation Industry (Supervision) Act 1993 and the Superannuation Industry (Supervision) Regulations 1994. As a result the financial report may not be suitable for another purpose.

#### **Audit of SIS Compliance**

I am also required to form an opinion in respect of compliance with certain aspects of SIS and the Regulations thereto. My report must refer to the following Sections and Regulations:

Sections: 17A, 35AE, 35B, 35C(2), 62, 65, 66, 67, 67A, 67B, 82-85, 103, 104, 104A, 105, 109, 126K; and

Regulations: 1.06(9A), 4.09, 4.09A, 5.03, 5.08, 6.17, 7.04, 8.02B, 13.12, 13.13, 13.14, 13.18AA.

#### **Report on Significant Matters**

Under Section 129 of SIS I am required to report to you in writing, if during the course of, or in connection with, my audit, I become aware of certain contraventions of the Act or Regulations which I believe has occurred, are occurring or may occur. There are instances where I will be obligated to report the contravention(s) to the Australian Taxation Office ("ATO"). I am also required under Section 130 to report to you and the ATO if I believe the fund may be about to become, or may be in an unsatisfactory financial position.

**Report on Other Matters**

I am required to inform you of certain uncorrected mis-statements identified during the audit, and I must obtain representations from you acknowledging the uncorrected mis-statements have been brought to your attention, and that you have considered the effects of these mis-statements to be either material or immaterial individually and in aggregate to the financial report.

At the completion of the audit I will prepare an audit management letter to advise you of any matters encountered during the course of the audit that I believe should be brought to your attention. I am also required to form an opinion on the accounting policies adopted in preparing the financial report. Please note you should not assume that matters reported to you, or that a report that there are no matters to be communicated, indicates that there are no additional matters that you should be aware of in meeting your responsibilities.

**Privacy and Quality Control**

The conduct of my audit in accordance with Australian Auditing Standards means that information acquired by me in the course of my audit is subject to strict confidentiality requirements. I am also subject to the Privacy Act 1988 in the handling of personal information. I will not use any personal information obtained during the audit for any purpose other than for the purpose of conducting the audit.

I will keep secure personal information obtained during the audit to ensure it is not misused, lost, or improperly accessed, modified or disclosed. After completing the audit, I will return to you any documents containing personal information that I obtain from you during the course of the audit, except for copies or extracts as required by auditing standards.

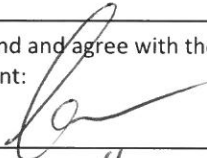
Information will not be disclosed by me to other parties except as required or allowed for by law or professional standards, or with your authority. My audit files may be subject to review as part of the quality control review program of a governing accounting body which monitors compliance with professional standards by its members. My audit files may also be subject to review by the ATO or the Australian Securities and Investments Commission ("ASIC"). I advise you that by signing this letter you acknowledge that, if requested, my audit files relating to this audit will be made available under any of these review programs. Should this occur I will advise you. The same strict confidentiality requirements apply under the accounting bodies, ATO and ASIC reviews that apply to myself as your auditor.

This letter will be effective for future years unless I advise you of its amendment or replacement, or if the engagement is terminated. Please sign and return the attached copy of this letter to indicate that it is in accordance with your understanding of the arrangements for my audit.

Yours faithfully,  
**KS Audit**

*Karen Stewart*

**Karen Stewart**

I understand and agree with the terms of this engagement:
Signed 
Name: <u>Scott McKean</u>
Trustee/ Director*
* Delete where appropriate
Date: <u>10/9/2019</u>

**THE TRUSTEES FOR S & C MCLEAN RETIREMENT FUND**

19<sup>th</sup> August, 2019

**Private and Confidential**

**KS Audit Pty Ltd  
P.O. Box 296  
CAMDEN NSW 2570**

Dear Sir / Madam,

In connection with your examination of the special purpose financial report of the **S & C McLean Retirement Fund** as at 30 June, 2019, we acknowledge our responsibility for ensuring the financial report is in accordance with the accounting standards and UIG Consensus Views detailed in Note 1 to the financial statements. We confirm we have fulfilled our responsibility for the preparation of the financial report in accordance with the relevant financial reporting framework and confirm that the financial report is free of material mis-statement, including omissions, and that we have approved the financial report, as evidenced by our signature on the trustee declaration attached to the financial report.

The following representations are made which are true to the best of our knowledge and belief.

**1. Documentation**

We acknowledge that we are responsible for providing you, as auditor, with access to all information that is relevant to the preparation of the financial report, and any additional information you may request.

**2. Safeguarding Assets**

We have considered the importance of safeguarding the assets of the fund, and we confirm we have the following procedures in place to to achieve this:

- a) Authorised signatories on bank and investment accounts are regularly reviewed and considered appropriate; and
- b) Tangible assets are, where appropriate, adequately insured and appropriately stored.

**3. Risk of Fraud**

The nature, extent and frequency of assessments undertaken by us to conclude that there is a low risk that the financial report is materially misstated due to fraud, are informal and ad-hoc given the nature of the fund, and as a result of the following:

- a) The trustees are signatories on all transactions, no other party has the authority to act on behalf of the trustee; and
- b) Reconciliations are undertaken by the trustee or the fund's accountant for both investments held and all bank accounts maintained by the fund.

We have not identified any specific risks of fraud, however we acknowledge that if fraud existed within the fund, the most likely areas of concern would be investments or cash being mis-appropriated or contributions being intercepted prior to being banked into the fund's bank account.



**4. Procedures for Identifying and Responding to Fraud**

As trustee we believe the procedures in place reduce the risk of fraud, however should fraudulent activity be identified, the trustee would ensure all trustees are aware of the situation and the fund's accountant and auditor would be informed.

Depending on the situation, steps would be implemented to cease the fraudulent activity and controls would be put in place to limit any future activity from affecting the fund.

**5. Existence of Fraud**

We confirm we have no knowledge of any actual, suspected or alleged fraud affecting the fund.

**6. Accounting Policies**

All the significant accounting policies of the fund are adequately described in Note 1 to the financial statements and are consistent with the policies adopted last year, unless otherwise detailed in the notes to the financial statements.

**7. Fund Books / Records / Minutes**

As agreed in the terms of the audit engagement, all financial books, records and related data have been made available to you, including relevant minutes of the trustee's meetings and this information has been retained in the appropriate format for the required period of time.

We confirm all transactions have been recorded and are reflected in the financial report.

**8. Asset Form**

The assets of the fund are being held in a form suitable for the benefit of the members of the fund.

**9. Ownership and Pledging of Assets**

- c) The fund has satisfactory title to all assets disclosed in the statement of financial position; and
- d) No assets of the fund have been pledged to secure liabilities of the fund (unless the charge is permitted by the legislation) or of others.

**10. Investments**

- a) Investments as at 30 June, 2018 are carried in the books at market value. Such amounts are considered reasonable in the light of present circumstances;
- b) There are no commitments, fixed or contingent, for the purchase or sale of long-term investments, that have not been disclosed in the financial report;
- c) The investment strategy has been determined with due regard to risk, return, liquidity and diversification; and
- d) All investments are acquired, maintained and disposed of on an arm's length basis.

**11. Trust Deed**

The fund is being conducted in accordance with its governing rules.

**12. Income Tax Assessment Act, Superannuation Industry (Supervision) Act and Regulations**

The fund is in compliance with the requirements of the relevant Income Tax Assessment Act, and the fund is being conducted in accordance with the Superannuation Industry (Supervision) Act 1993, and Superannuation Industry (Supervision) Regulations 1994 (“SIS”) (with the exception of any contraventions as identified by you as the auditor) and we specifically confirm:

- a) The directors of the corporate trustee have been nominated and may only be removed in such manner and circumstances as are allowed in the trust deed;
- b) The trustee has complied with all the trustee standards set out in the regulations and the covenants prescribed by SIS Section 52B;
- c) No director of the corporate trustee is a disqualified person;
- d) The trustee has complied with the investment standards set out in SIS; and
- e) Information retention obligations have been complied with.

All known instances of non-compliance or suspected non-compliance with the relevant Income Tax Assessment Act or the SIS legislation whose effects should be considered when preparing the financial report, or that impact your obligation to report certain matters to the Australian Taxation Office have been disclosed to you.

**13. Internal Controls**

We acknowledge our responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud. We have established and maintained an adequate internal control structure to facilitate the preparation of a reliable financial report and to ensure that the assets of the fund are safeguarded from fraud or error. We have assessed the risk that the financial report may be materially mis-stated as a result of fraud and advise we have no knowledge of any actual, suspected or alleged fraud affecting the fund.

The fund does not have a formal process for identifying, estimating or assessing business risks relevant to the financial reporting objectives, and this is considered appropriate in the circumstances.

There are no specific risks arising from the information technology utilised by the fund that require attention by the trustee.

To monitor internal controls over financial reporting, we review all reports provided by the information technology systems utilised by the fund for accuracy. This assists in determining if the information is sufficiently reliable for financial reporting purposes.

In instances where the fund uses a custodian, we confirm we have not been advised of any fraud, non-compliance with laws and regulations or uncorrected mis-statements that would affect the financial report of the fund.

**14. Contributions**

We confirm the non-concessional contributions, if any, received by the fund are within the limits imposed by the legislation, taking into account contributions paid to other superannuation funds.

**15. Legal Matters**

We confirm you have been advised of all significant legal matters, and that all known actual or possible litigation and claims have been adequately accounted for, and been appropriately disclosed in the financial report.

Any minutes of meetings with the fund's legal counsel have been provided for audit review.

**16. Related Parties**

All related party transactions have been brought to your attention.

**17. Subsequent Events**

Other than those reported, there are no events subsequent to year end, nor any new litigation or claims referred to the fund's legal counsel, that would require adjustment to, or disclosure in, the financial report.

**18. Going Concern Assumption**

We confirm we have no knowledge of any events or conditions that would cast significant doubt on the fund's ability to continue as a going concern.

Yours faithfully,

NAME Cheryl McLean NAME SCOTT M'LEAN  
Trustee 10/9/19 Trustee 10/9/19

\_\_\_\_\_  
NAME  
Trustee

\_\_\_\_\_  
NAME  
Trustee

**S & C McLean Retirement Fund**  
(ABN: 68 633 577 977)

**Consolidated Member Benefit Totals**

Period		Member Account Details	
1 July 2018 - 30 June 2019		Residential Address:	2 The Bowsprit Tweed Heads, NSW 2485
Member	Number: 1	Date of Birth:	18 May 1967
Mr Scott Andrew McLean		Date Joined Fund:	31 January 2015
		Eligible Service Date:	31 January 2015
		Tax File Number Held:	Yes

*Note: this report provides a consolidated view of the Member's interests in the SMSF  
Refer to the Member Benefit Statements produced for each member account for further details*

**Your Accounts**

<b>Withdrawal Benefit as at 1 Jul 2018</b>	
Accumulation	1,010,808.16
<b>Total as at 1 Jul 2018</b>	<b>1,010,808.16</b>

<b>Withdrawal Benefit as at 30 Jun 2019</b>	
Accumulation	1,074,047.55
<b>Total as at 30 Jun 2019</b>	<b>1,074,047.55</b>

**Your Tax Components**

Tax Free	680,000.00
Taxable - Taxed	394,047.55
Taxable - Untaxed	-

**Your Preservation Components**

Preserved	1,074,047.55
Restricted Non Preserved	-
Unrestricted Non Preserved	-

**Your Insurance Benefits**

No insurance details have been recorded

**Your Beneficiaries**

No beneficiary details have been recorded

For Enquiries:

**S & C McLean Retirement Fund**  
(ABN: 68 633 577 977)

**Member Benefit Statement**

Period		Member Account Details	
1 July 2018 - 30 June 2019		Residential Address:	2 The Bowsprit Tweed Heads, NSW 2485
Member	Number: 1	Date of Birth:	18 May 1967
Mr Scott Andrew McLean		Date Joined Fund:	31 January 2015
Accumulation Account		Eligible Service Date:	31 January 2015
Accumulation		Tax File Number Held:	Yes
		Account Start Date:	31 January 2015

Your Account Summary	
<b>Withdrawal Benefit</b> as at 1 Jul 2018	<b>1,010,808.16</b>
<i>Increases to your account:</i>	
Share Of Net Fund Income	72,765.92
<u>Total Increases</u>	<u>72,765.92</u>
<i>Decreases to your account:</i>	
Tax on Net Fund Income	9,526.53
<u>Total Decreases</u>	<u>9,526.53</u>
<b>Withdrawal Benefit</b> as at 30 Jun 2019	<b><u>1,074,047.55</u></b>

Your Tax Components		
Tax Free	63.3119 %	680,000.00
Taxable - Taxed		394,047.55
Taxable - Untaxed		-
Your Preservation Components		
Preserved		1,074,047.55
Restricted Non Preserved		-
Unrestricted Non Preserved		-
Your Insurance Benefits		
No insurance details have been recorded		
Your Beneficiaries		
No beneficiary details have been recorded		

For Enquiries:

**Trustee**

The Trustee of the Fund is as follows:

S & C McLean Super Pty Ltd

The directors of the Trustee company are:

Cheryl McLean and  
Scott McLean

**Availability of Other Fund Information**

Additional information regarding your membership is available on request. What your Fund can do is governed by the provisions of its Trust Deed, which is available for inspection. If you require further information or clarification of any aspect of your membership of the Fund, please contact your Fund's Administrator or Trustee.


**Trustee Disclaimer**

This statement has been prepared by the Trustee for the member whose name appears at the top of this statement. While every effort has been made by the Trustee to ensure the accuracy and completeness of this statement, the Trustee does not accept any liability for any errors, omissions or misprints.

Signed on behalf of the Trustee of the Fund

  
.....  
Cheryl McLean 10/9/19  
Director - S & C McLean Super Pty Ltd

← **SIGN  
HERE**

  
.....  
Scott McLean 10/9/19  
Director - S & C McLean Super Pty Ltd

← **SIGN  
HERE**

Statement Date: 30 June 2019

**S & C McLean Retirement Fund**  
(ABN: 68 633 577 977)

**Consolidated Member Benefit Totals**

Period		Member Account Details	
1 July 2018 - 30 June 2019		Residential Address:	2 The Bowsprit Tweed Heads, NSW 2485
Member	Number: 2	Date of Birth:	11 March 1967
Mrs Cheryl Anne McLean		Date Joined Fund:	31 January 2015
		Eligible Service Date:	31 January 2015
		Tax File Number Held:	Yes

*Note: this report provides a consolidated view of the Member's interests in the SMSF  
Refer to the Member Benefit Statements produced for each member account for further details*

**Your Accounts**

<b>Withdrawal Benefit as at 1 Jul 2018</b>	
Accumulation	1,010,808.10
<b>Total as at 1 Jul 2018</b>	<b>1,010,808.10</b>

<b>Withdrawal Benefit as at 30 Jun 2019</b>	
Accumulation	1,074,047.43
<b>Total as at 30 Jun 2019</b>	<b>1,074,047.43</b>

**Your Tax Components**

Tax Free	680,000.00
Taxable - Taxed	394,047.43
Taxable - Untaxed	-

**Your Preservation Components**

Preserved	1,074,047.43
Restricted Non Preserved	-
Unrestricted Non Preserved	-

**Your Insurance Benefits**

No insurance details have been recorded

**Your Beneficiaries**

No beneficiary details have been recorded

**For Enquiries:**

**S & C McLean Retirement Fund**  
(ABN: 68 633 577 977)

**Member Benefit Statement**

Period		Member Account Details	
1 July 2018 - 30 June 2019		Residential Address:	2 The Bowsprit Tweed Heads, NSW 2485
Member	Number: 2	Date of Birth:	11 March 1967
Mrs Cheryl Anne McLean		Date Joined Fund:	31 January 2015
Accumulation Account		Eligible Service Date:	31 January 2015
Accumulation		Tax File Number Held:	Yes
		Account Start Date:	31 January 2015

Your Account Summary	
Withdrawal Benefit as at 1 Jul 2018	1,010,808.10
<i>Increases to your account:</i>	
Share Of Net Fund Income	72,765.95
<b>Total Increases</b>	<b>72,765.95</b>
<i>Decreases to your account:</i>	
Tax on Net Fund Income	9,526.62
<b>Total Decreases</b>	<b>9,526.62</b>
<b>Withdrawal Benefit as at 30 Jun 2019</b>	<b>1,074,047.43</b>

Your Tax Components		
Tax Free	63.3119 %	680,000.00
Taxable - Taxed		394,047.43
Taxable - Untaxed		-

Your Preservation Components	
Preserved	1,074,047.43
Restricted Non Preserved	-
Unrestricted Non Preserved	-

Your Insurance Benefits	
No insurance details have been recorded	

Your Beneficiaries	
No beneficiary details have been recorded	

For Enquiries:



**Trustee**

The Trustee of the Fund is as follows:

S & C McLean Super Pty Ltd

The directors of the Trustee company are:

Cheryl McLean and  
Scott McLean


**Availability of Other Fund Information**

Additional information regarding your membership is available on request. What your Fund can do is governed by the provisions of its Trust Deed, which is available for inspection. If you require further information or clarification of any aspect of your membership of the Fund, please contact your Fund's Administrator or Trustee.

**Trustee Disclaimer**

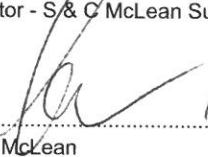
This statement has been prepared by the Trustee for the member whose name appears at the top of this statement. While every effort has been made by the Trustee to ensure the accuracy and completeness of this statement, the Trustee does not accept any liability for any errors, omissions or misprints.

Signed on behalf of the Trustee of the Fund



Cheryl McLean 10/9/19  
Director - S & C McLean Super Pty Ltd

← **SIGN  
HERE**



Scott McLean 10/9/19  
Director - S & C McLean Super Pty Ltd

← **SIGN  
HERE**

Statement Date: 30 June 2019

**For Enquiries:**

# Electronic lodgment declaration (Form MS)

(for self-managed superannuation funds)

## Part A: Taxpayer's declaration

This declaration is to be completed where the tax return is to be lodged via an approved ATO electronic channel. It is the responsibility of the taxpayer to retain this declaration for a period of five years after the declaration is made, penalties may apply for failure to do so.

### Privacy

The ATO is authorised by the *Taxation Administration Act 1953* to request the provision of tax file numbers (TFNs). The ATO will use the TFNs to identify each partner or beneficiary or entity in our records. It is not an offence not to provide the TFNs. However, you cannot lodge your tax return electronically if you do not quote your TFN.

Taxation law authorises the ATO to collect information and disclose it to other government agencies, including personal information about the person authorised to sign the declaration. For information about privacy go to [ato.gov.au/privacy](http://ato.gov.au/privacy)

### The Australian Business Register

The Commissioner of Taxation, as Registrar of the Australian Business Register, may use the ABN and business details which you provide on this tax return to maintain the integrity of the register.

Please refer to the privacy statement on the Australian Business Register (ABR) website ([www.abr.gov.au](http://www.abr.gov.au)) for further information – it outlines our commitment to safeguarding your details.

### Electronic funds transfer – direct debit

Where you have requested an EFT direct debit some of your details will be provided to your financial institution and the Tax Office's sponsor bank to facilitate the payment of your taxation liability from your nominated account.

### Tax file number

\*\*\*\*\*

### Fund name

S & C McLean Retirement Fund

### Year of return

2019

I authorise my tax agent to electronically transmit this tax return via an approved ATO electronic channel.

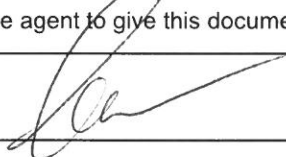
**Important:** Before making this declaration please check to ensure that all income has been disclosed and the tax return is true and correct in every detail. If you are in doubt about any aspect of the tax return, place all the facts before the Tax Office. The tax law provides heavy penalties for false or misleading statements on tax returns.

### Declaration

I declare that:

- all of the information I have provided to the agent for the preparation of this document is true and correct
- I authorise the agent to give this document to the Commissioner of Taxation

Signature of trustee or director



Date 10/9/2019

## Part B: Electronic funds transfer consent

This declaration is to be completed when an electronic funds transfer (EFT) of a refund is requested and the tax return is being lodged through an approved ATO electronic channel.

This declaration must be signed by the partner, trustee, director or public officer prior to the EFT details being transmitted to the Tax Office. If you elect for an EFT, all details below must be completed.

### Important:

Care should be taken when completing EFT details as the payment of any refund will be made to the account specified.

### Agent's reference number

25300299

### Account name

S & C McLean Super Pty Ltd ATF S

I authorise the refund to be deposited directly to the specified account.

Signature of trustee or director



Date 10/9/2019

## Part D: Tax agent's certificate (shared facility users only)

Declaration: I declare that:

- I have prepared this tax return in accordance with the information supplied by the trustees;
- I have received a declaration by the trustees that the information provided to me for the preparation of this tax return is true and correct, and;
- I am authorised by the trustees to lodge this tax return, including any applicable schedules.

Signature of tax agent



Date

### Agent's contact name

MR Dene Kilpatrick

### Agent's phone

02 49267100

### Agent's reference

25300299

### Client's reference

MCLE0201