

AUDIT COPY

**KEATES BALMER FAMILY SUPER FUND**

*FINANCIAL YEAR ENDED*

*30 JUNE 2018*

**REPORT CONTENTS**

Audit Report

Trustee Declaration

Financial Report

Member's Statements

Statutory Minutes

Representation Letter from the Trustee's

# **SUPER AUDITS**

## **SELF-MANAGED SUPERANNUATION FUND INDEPENDENT AUDITOR'S REPORT**

---

### Approved SMSF auditor details

Name: Anthony William Boys

Business name: SUPER AUDITS

Business postal address: Box 3376 RUNDLE MALL 5000

SMSF auditor number (SAN): 100014140

---

### Self-managed superannuation fund details

Self-managed superannuation fund (SMSF) name Keates Balmer Family

Australian business number (ABN) or tax file number (TFN): 954 724 638

Address: C/- P.O. Box 3685 ADELAIDE S.A. 5000

Year of income being audited 1 July 2017 – 30 June 2018

---

### To the SMSF trustees

To the trustees of the Keates Balmer Family Superannuation Fund

---

# SUPER AUDITS

## Part A: Financial report

### Approved SMSF auditor's Opinion

I have audited the special purpose financial report of the Keates Balmer Family superannuation Fund comprising; the Profit & Loss Statement for the financial year ending 30 June 2018, the Balance Sheet as at 30 June 2018 and the Notes to and forming part of the Accounts for the year ended 30 June 2018 of the Keates Balmer Family Superannuation Fund for the year ended 30 June 2018.

In my opinion, the financial report:

a) 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 2018 and the results of its operations for the year then ended.

#### Basis for Opinion

My audit has been conducted in accordance with Australian Auditing Standards<sup>1</sup>. My responsibilities under those standards are further described in the *Approved SMSF Auditor's Responsibilities for the Audit of the Financial Report* section of this report. I am independent of the self-managed superannuation fund in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) as required by the Superannuation Industry (Supervision) Regulations 1994 (SISR). I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### Emphasis of Matter - Basis of accounting

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 *Keates Balmer Family superannuation fund* meet the requirements of the SMSF's governing rules, the *Superannuation Industry (Supervision) Act 1993* (SISA) and the SISR. As a result, the financial report may not be suitable for other purposes.

#### Responsibilities of SMSF trustees for the financial report

Each SMSF trustee (individual trustee or director of corporate trustee) is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the SMSF's governing rules, the SISA and the SISR. Each trustee is also responsible for such internal controls as they determine are necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

---

<sup>1</sup>The Australian Auditing Standards issued by the Auditing and Assurance Standards Board.

## **SUPER AUDITS**

In preparing the financial report, the trustees are responsible for assessing the fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the trustees intend to wind-up the fund. The going concern basis of accounting is appropriate when it is reasonably foreseeable that the fund will be able to meet its liabilities as they fall due.

The trustees are responsible for overseeing the fund's financial reporting process.

### **Approved SMSF auditor's responsibilities for the audit of the financial report**

My responsibility is to express an opinion on the financial report based on my audit. I have conducted an independent audit of the financial report in order to express an opinion on it to the trustees.

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of trustees taken on the basis of this financial report.

I have complied with the competency standards set by Australian Securities & Investments Commission (ASIC). 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.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of the auditor's

## **SUPER AUDITS**

report. However, future events or conditions may cause the fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the trustees and or the trustee's authorised representative regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

### **Part B: Compliance report**

#### **Approved SMSF Auditor's Opinion**

I have performed a reasonable assurance engagement on the Keates Balmer Family superannuation fund to provide an opinion in relation to its compliance, in all material respects, with the applicable provisions of the SISA and the SISR as listed below in the *Approved SMSF Auditor's Responsibility* section of this report.

In my opinion, each trustee of Keates Balmer Family superannuation fund has complied, in all material respects, with the applicable provisions of the SISA and the SISR specified below, for the year ended 30 June 2018.

#### **Basis for Opinion**

I have conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3100 *Compliance Engagements* issued by the Auditing and Assurance Standards Board.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Independence and quality control**

I have complied with the independence requirements in accordance with the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) as required by the SISR.

My firm applies Australian Standard on Quality Control 1 ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

I have complied with the competency standards set by ASIC.

#### **SMSF trustees' responsibility for compliance**

Each SMSF trustee is responsible for complying with the requirements of the SISA and the SISR and for identifying, designing and implementing internal controls as they determine necessary to meet compliance requirements and monitor ongoing compliance.

# SUPER AUDITS

## Approved SMSF auditor's responsibility for the compliance report

My responsibility is to express an opinion on the trustees' compliance with the applicable requirements of the SISA and the SISR, based on the compliance engagement. My procedures included testing that the fund has an investment strategy that complies with the SISA and that the trustees make investments in line with that strategy, however, no opinion is made on its appropriateness to the fund members.

My reasonable assurance engagement has been conducted in accordance with applicable Standards on Assurance Engagements issued by the Auditing and Assurance Standards Board, to provide reasonable assurance that the trustees of the fund have 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, 34,35AE, 35B, 35C(2), 35 (D) (1), 52 (2), 62, 65, 66, 67,67A, 67B, 82-85, 103, 104, 104A, 105, 109, 126K

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 13.22 (B and C)

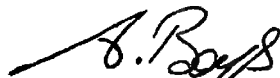
An assurance engagement to report on the fund's compliance with the applicable requirements of the SISA and the SISR involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the compliance requirements. The procedures selected depend on my judgement, including the identification and assessment of risks of material non-compliance.

My procedures included examination, on a test basis, of evidence supporting compliance with those requirements of the SISA and the SISR for the year ended 30 June

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.

### Inherent limitations

Due to the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non-compliance with the listed provisions may occur and not be detected. A reasonable assurance engagement does not provide assurance on whether compliance with the listed provisions will continue in the future.



SMSF Auditor's signature

Date: 19 November 2018

# SUPER AUDITS

The Trustees  
The Keates Balmer Family Super Fund  
C/- P.O. Box 3685  
ADELAIDE S.A. 5000

A.W. Boys  
Box 3376  
Rundle Mall 5000  
19 November 2018

Dear Trustees,

I have completed the audit of the Keates Balmer Family Super Fund for the financial year ending 30 June 2018. The Trustee has complied in all material respects with the *Superannuation Industry (Supervision) Act 1993* and Regulations. ***The trustees are reminded to obtain a valuation or market appraisal of the business real property held by the Fund and report that market value in the financial statements of the Fund every year pursuant to Regulation 8.02B. In addition, the trustees are obliged to obtain an independent appraisal of the market rent being applied to the related party lease agreement to ensure that section 109 of the SIS Act has been complied with, especially after a significant asset such as an air conditioning unit has been supplied by the lessor.***

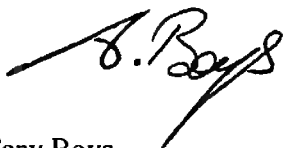
The Trustee is required to maintain the financial records of the Fund for a minimum of five years and the minutes of meetings are to be retained for ten years.

It is recommended that the trustees review their Investment Strategy annually to ensure the strategy meets the objectives of the members having regard to risk, return, liquidity and diversification of investments. Further, the trustees should determine whether the Fund should hold a contract of insurance that provides insurance cover for one or more members of the Fund.

Thank you for your professionalism and full cooperation throughout the audit process.

Should you have any queries regarding any of the above please contact me on 0410 712708.

Yours sincerely



Tony Boys  
SMSF Auditor Number (SAN) 100014140  
Registered Company Auditor 67793

**Keates Balmer Family Super Fund**  
**Keates Balmer Superannuation Nominees Pty Ltd ACN: 167566565**  
**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:

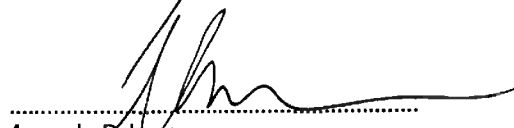
- (i) the financial statements and notes to the financial statements for the year ended 30 June 2018 present fairly, in all material respects, the financial position of the superannuation fund at 30 June 2018 and the results of its operations for the year ended on that date in accordance with the accounting 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 directors of the trustee company declares that:

- in accordance with s120 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 s50 of the Superannuation Industry (Supervision) Act 1993 and reg13.14 of the Superannuation Industry (Supervision) Act 1994; and
- to the knowledge of the directors of the trustee company, 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:

  
.....  
Warwick Keates  
Keates Balmer Superannuation Nominees Pty Ltd  
Director

  
.....  
Amanda Balmer  
Keates Balmer Superannuation Nominees Pty Ltd  
Director

05 December 2018



## **FINANCIAL REPORT CONTENTS**

Statement of Financial Position

Operating Statement

Detailed Operating Statement

Statement of Taxable Income

Notes to the Financial Statements

**Keates Balmer Family Super Fund**  
**Statement of Financial Position**

As at 30 June 2018

	Note	2018 \$	2017 \$
<b>Assets</b>			
<b>Investments</b>			
Plant and Equipment (at written down value) - Unitised	2	23,019.53	28,123.51
Real Estate Properties (Australian - Non Residential)	3	475,250.96	471,155.24
<b>Total Investments</b>		<u>498,270.49</u>	<u>499,278.75</u>
<b>Other Assets</b>			
Prepaid Borrowing Expenses		696.28	1,532.28
Westpac Super Working ***4708		2,501.35	734.93
Income Tax Refundable		571.75	101.25
<b>Total Other Assets</b>		<u>3,769.38</u>	<u>2,368.46</u>
<b>Total Assets</b>		<u>502,039.87</u>	<u>501,647.21</u>
Less:			
<b>Liabilities</b>			
PAYG Payable		412.00	814.00
Sundry Creditors		0.00	3,740.00
Deferred Tax Liability		5,125.75	4,646.15
Limited Recourse Borrowing Arrangements		197,192.51	210,913.68
<b>Total Liabilities</b>		<u>202,730.26</u>	<u>220,113.83</u>
<b>Net assets available to pay benefits</b>		<u>299,309.61</u>	<u>281,533.38</u>
Represented by:			
<b>Liability for accrued benefits allocated to members' accounts</b>	4, 5		
Keates, Warwick - Accumulation		149,438.58	140,678.69
Balmer, Amanda - Accumulation		149,871.03	140,854.69
<b>Total Liability for accrued benefits allocated to members' accounts</b>		<u>299,309.61</u>	<u>281,533.38</u>

**Keates Balmer Family Super Fund****Operating Statement**

For the year ended 30 June 2018

	Note	2018	2017
		\$	\$
<b>Income</b>			
<b>Investment Income</b>			
Interest Received		5.30	150.88
Property Income	7	28,988.00	28,790.00
<b>Investment Gains</b>			
Changes in Market Values	8	4,796.00	0.00
<b>Contribution Income</b>			
Employer Contributions		21,984.15	19,918.36
Personal Non Concessional		3,910.83	0.00
<b>Total Income</b>		<u>59,684.28</u>	<u>48,859.24</u>
<b>Expenses</b>			
Accountancy Fees		2,640.00	2,640.00
ATO Supervisory Levy		259.00	0.00
Auditor's Remuneration		990.00	1,100.00
ASIC Fees		302.00	296.00
Advisor Fees		2,400.00	2,600.00
Amortisation		836.00	836.00
Bank Charges		20.00	0.00
Depreciation		5,804.26	3,087.61
Property Expenses - Interest on Loans		12,361.83	13,035.51
Property Expenses - Sundry Expenses		480.00	450.00
<b>Member Payments</b>			
Life Insurance Premiums		13,650.11	10,331.47
<b>Total Expenses</b>		<u>39,743.20</u>	<u>34,376.59</u>
<b>Benefits accrued as a result of operations before income tax</b>			
		<u>19,941.08</u>	<u>14,482.65</u>
Income Tax Expense	9	2,164.85	2,172.45
<b>Benefits accrued as a result of operations</b>		<u>17,776.23</u>	<u>12,310.20</u>

# Keates Balmer Family Super Fund

## Detailed Operating Statement

For the year ended 30 June 2018

	2018	2017
	\$	\$
<b>Income</b>		
Interest Received		
Westpac Super Working ***4708	5.30	150.88
	<u>5.30</u>	<u>150.88</u>
Property Income		
Unit 3 / 241 Pirie Street, Adelaide SA 5000	28,988.00	28,790.00
	<u>28,988.00</u>	<u>28,790.00</u>
<b>Contribution Income</b>		
Employer Contributions - Concessional		
Amanda Balmer	9,959.15	8,972.52
Warwick Keates	12,025.00	10,945.84
	<u>21,984.15</u>	<u>19,918.36</u>
Personal Contributions - Non Concessional		
Amanda Balmer	1,955.41	0.00
Warwick Keates	1,955.42	0.00
	<u>3,910.83</u>	<u>0.00</u>
<b>Investment Gains</b>		
Unrealised Movements in Market Value		
Real Estate Properties (Australian - Non Residential)		
Unit 3 / 241 Pirie Street, Adelaide SA 5000	4,796.00	0.00
	<u>4,796.00</u>	<u>0.00</u>
<b>Changes in Market Values</b>		
	<u>4,796.00</u>	<u>0.00</u>
<b>Total Income</b>	<u>59,684.28</u>	<u>48,859.24</u>
<b>Expenses</b>		
Accountancy Fees	2,640.00	2,640.00
Advisor Fees	2,400.00	2,600.00
Amortisation	836.00	836.00
ASIC Fees	302.00	296.00
ATO Supervisory Levy	259.00	0.00
Auditor's Remuneration	990.00	1,100.00
Bank Charges	20.00	0.00
	<u>7,447.00</u>	<u>7,472.00</u>
Depreciation		
Shop Fittings 2015	638.40	638.40
Solar System	520.71	578.57
Samsung 360 Round Aircon x2	3,636.85	625.73
Shop Fittings 2014	61.88	61.88
Split System	946.42	1,183.03
	<u>5,804.26</u>	<u>3,087.61</u>
Property Expenses - Interest on Loans		
Unit 3 / 241 Pirie Street, Adelaide SA 5000	12,361.83	13,035.51
	<u>12,361.83</u>	<u>13,035.51</u>
Property Expenses - Sundry Expenses		
Unit 3 / 241 Pirie Street, Adelaide SA 5000	480.00	450.00
	<u>480.00</u>	<u>450.00</u>
<b>Member Payments</b>		

**Keates Balmer Family Super Fund**  
**Detailed Operating Statement**

For the year ended 30 June 2018

---

	2018	2017
	\$	\$
Life Insurance Premiums		
Balmer, Amanda - Accumulation (Accumulation)	5,647.68	4,074.10
Keates, Warwick - Accumulation (Accumulation)	8,002.43	6,257.37
	<u>13,650.11</u>	<u>10,331.47</u>
<b>Total Expenses</b>	<u>39,743.20</u>	<u>34,376.59</u>
<b>Benefits accrued as a result of operations before income tax</b>	<u>19,941.08</u>	<u>14,482.65</u>
<b>Income Tax Expense</b>		
Income Tax Expense	2,164.85	2,172.45
<b>Total Income Tax</b>	<u>2,164.85</u>	<u>2,172.45</u>
<b>Benefits accrued as a result of operations</b>	<u>17,776.23</u>	<u>12,310.20</u>

---

**Keates Balmer Family Super Fund**  
**Statement of Taxable Income**  
For the year ended 30 June 2018

---

	2018
	\$
Benefits accrued as a result of operations	19,941.08
<b>Less</b>	
Increase in MV of investments	4,796.00
Non Taxable Contributions	3,910.83
	<u>8,706.83</u>
SMSF Annual Return Rounding	0.75
<b>Taxable Income or Loss</b>	<u>11,235.00</u>
Income Tax on Taxable Income or Loss	1,685.25
<b>CURRENT TAX OR REFUND</b>	<u>1,685.25</u>
Supervisory Levy	259.00
Income Tax Instalments Paid	(2,257.00)
<b>AMOUNT DUE OR REFUNDABLE</b>	<u>(312.75)</u>

---

**Keates Balmer Family Super Fund**  
**Deferred Tax Reconciliation**  
 For The Period 01 July 2017 - 30 June 2018

Investment Code	Investment Name	Revaluation/Tax Deferred	Permanent Difference (Non- Assessable)	Temporary Difference (Assessable)	Temporary Difference (Accumulation Portion)
<b>Revaluations</b>					
KBFSF	Unit 3 / 241 Pirie Street, Adelaide SA 5000	4,796.00	1,598.67	3,197.33	3,197.33
		4,796.00	1,598.67	3,197.33	3,197.33
<b>Total</b>		4,796.00	1,598.67	3,197.33	3,197.33
<b>Deferred Tax Liability (Asset) Summary</b>					
<b>Opening Balance</b>		4,646.15			
Current Year Transactions		479.60			
Current Year Capital Loss		0.00			
Current Year Tax Loss		0.00			
Deferred Tax WriteBacks/Adjustment		0.00			
Capital Loss carried forward recouped		0.00			
Tax Loss carried forward recouped		0.00			
<b>Closing Balance</b>		5,125.75			

## Keates Balmer Family Super Fund

# Notes to the Financial Statements

For the year ended 30 June 2018

---

### Note 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 and are based on historical costs, except for investments which have been measured at market value.

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 Director(s).

#### 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 value, which refers to the amount that a willing buyer could reasonably be expected to pay to acquire the asset from a willing seller if the following assumptions were 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) unlisted investments are stated at trustees' assessment based on estimated market value at balance date or where necessary, an external valuer's opinion; and
- (v) investment properties at the trustees' assessment of the market value or where necessary a qualified independent valuer's opinion at the end of reporting period.

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 values 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.

##### Interest revenue

Interest revenue is recognised in respect of fixed-interest securities, and cash and cash equivalent balances. Interest revenue is recognised upon receipt.



## Keates Balmer Family Super Fund

# Notes to the Financial Statements

For the year ended 30 June 2018

---

### 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 unit trusts and managed funds are recognised as at the date the unit value is quoted ex-distribution 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.

### 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. Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current tax expense charged to profit or loss is the tax payable on taxable income. 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 unused tax losses.

No deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, and their measurement also reflects the manner in which the trustees expect to recover or settle the carrying amount of the related asset or liability.

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 asset can be utilised.

### 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.

### Note 2: Plant and Equipment (at written down value) - Unitised

2018  
\$

2017  
\$

## Keates Balmer Family Super Fund

# Notes to the Financial Statements

For the year ended 30 June 2018

Samsung 360 Round Aircon x2	14,547.42	18,184.27
Solar System	4,686.42	5,207.13
Split System	3,785.69	4,732.11
	<u>23,019.53</u>	<u>28,123.51</u>

### Note 3: Real Estate Properties (Australian - Non Residential)

	2018 \$	2017 \$
Unit 3 / 241 Pirie Street, Adelaide SA 5000	450,000.00	445,204.00
Shop Fittings 2014	2,226.63	2,288.51
Shop Fittings 2015	23,024.33	23,662.73
	<u>475,250.96</u>	<u>471,155.24</u>

### Note 4: Liability for Accrued Benefits

	2018 \$	2017 \$
Liability for accrued benefits at beginning of year	281,533.38	269,223.18
Benefits accrued as a result of operations	17,776.23	12,310.20
Current year member movements	0.00	0.00
	<u>299,309.61</u>	<u>281,533.38</u>

### Note 5: Vested Benefits

Vested benefits are benefits that 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 end of the reporting period.

	2018 \$	2017 \$
Vested Benefits	<u>299,309.61</u>	<u>281,533.38</u>

### Note 6: Guaranteed Benefits

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

## Keates Balmer Family Super Fund

# Notes to the Financial Statements

For the year ended 30 June 2018

### Note 7: Rental Income

	2018 \$	2017 \$
Unit 3 / 241 Pirie Street, Adelaide SA 5000	28,988.00	28,790.00
	<u>28,988.00</u>	<u>28,790.00</u>

### Note 8: Unrealised Movements in Market Value

	2018 \$	2017 \$
<b>Real Estate Properties (Australian - Non Residential)</b>		
Unit 3 / 241 Pirie Street, Adelaide SA 5000	4,796.00	0.00
	<u>4,796.00</u>	<u>0.00</u>
<b>Total Unrealised Movement</b>	<u>4,796.00</u>	<u>0.00</u>

### Realised Movements in Market Value

	2018 \$	2017 \$
<b>Total Realised Movement</b>	<u>0.00</u>	<u>0.00</u>
<b>Changes in Market Values</b>	<u>4,796.00</u>	<u>0.00</u>

### Note 9: Income Tax Expense

	2018 \$	2017 \$
The components of tax expense comprise		
Current Tax	1,685.25	2,172.45
Deferred Tax Liability/Asset	479.60	0.00
<b>Income Tax Expense</b>	<u>2,164.85</u>	<u>2,172.45</u>

The prima facie tax on benefits accrued before income tax is reconciled to the income tax as follows:

Prima facie tax payable on benefits accrued before income tax at 15%	2,991.16	2,172.40
Less:		
Tax effect of:		
Non Taxable Contributions	586.62	0.00

**Keates Balmer Family Super Fund**

**Notes to the Financial Statements**

For the year ended 30 June 2018

---

Increase in MV of Investments	719.40	0.00
 Add:		
Tax effect of:		
 Rounding	0.11	0.05
 Income Tax on Taxable Income or Loss	1,685.25	2,172.45
 Less credits:		
  Current Tax or Refund	<u>1,685.25</u>	<u>2,172.45</u>

**Keates Balmer Family Super Fund**  
**Members Summary Report**  
As at 30 June 2018

Opening Balance	Increases				Decreases				Closing Balance	
	Contributions	Transfers In	Net Earnings	Insurance Proceeds	Pensions Paid	Contributions Tax	Taxes Paid	Benefits Paid/ Transfers Out		Insurance Premiums
<b>Warwick Keates (Age: 50)</b>										
KEAWAR00001A - Accumulation										
140,678.69	13,980.42	0.00	3,841.95	0.00	0.00	1,803.75	(743.70)	0.00	8,002.43	0.00
<b>140,678.69</b>	<b>13,980.42</b>	<b>0.00</b>	<b>3,841.95</b>	<b>0.00</b>	<b>0.00</b>	<b>1,803.75</b>	<b>(743.70)</b>	<b>0.00</b>	<b>8,002.43</b>	<b>0.00</b>
<b>Amanda Balmer (Age: 46)</b>										
BALAMA00001A - Accumulation										
140,854.69	11,914.56	0.00	3,854.26	0.00	0.00	1,493.86	(389.06)	0.00	5,647.68	0.00
<b>140,854.69</b>	<b>11,914.56</b>	<b>0.00</b>	<b>3,854.26</b>	<b>0.00</b>	<b>0.00</b>	<b>1,493.86</b>	<b>(389.06)</b>	<b>0.00</b>	<b>5,647.68</b>	<b>0.00</b>
<b>281,533.38</b>	<b>25,894.98</b>	<b>0.00</b>	<b>7,696.21</b>	<b>0.00</b>	<b>0.00</b>	<b>3,297.61</b>	<b>(1,132.76)</b>	<b>0.00</b>	<b>13,650.11</b>	<b>0.00</b>
										<b>299,309.61</b>

# Members Statement

Warwick Keates  
 41 Regent Street  
 Kensington, South Australia, 5068, Australia

**Your Details**

Date of Birth : 17/07/1967  
 Age: 50  
 Tax File Number: Provided  
 Date Joined Fund: 17/12/2013  
 Service Period Start Date:  
 Date Left Fund:  
 Member Code: KEAWAR00001A  
 Account Start Date 17/12/2013  
 Account Phase: Accumulation Phase  
 Account Description: Accumulation

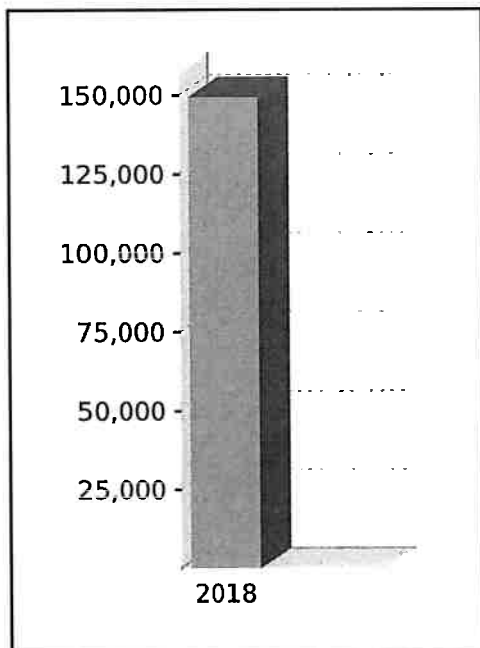
**Nominated Beneficiaries** N/A  
**Vested Benefits** 149,438.58  
**Total Death Benefit** 1,766,061.89  
**Current Salary** 0.00  
**Previous Salary** 0.00  
**Disability Benefit** 1,399,047.70

**Your Balance**

**Total Benefits** 149,438.58

Preservation Components  
 Preserved 149,438.58  
 Unrestricted Non Preserved  
 Restricted Non Preserved

Tax Components  
 Tax Free 27,717.66  
 Taxable 121,720.92



**Your Detailed Account Summary**

	This Year
Opening balance at 01/07/2017	140,678.69
<u>Increases to Member account during the period</u>	
Employer Contributions	12,025.00
Personal Contributions (Concessional)	
Personal Contributions (Non Concessional)	1,955.42
Government Co-Contributions	
Other Contributions	
Proceeds of Insurance Policies	
Transfers In	
Net Earnings	3,841.95
Internal Transfer In	
<u>Decreases to Member account during the period</u>	
Pensions Paid	
Contributions Tax	1,803.75
Income Tax	(743.70)
No TFN Excess Contributions Tax	
Excess Contributions Tax	
Refund Excess Contributions	
Division 293 Tax	
Insurance Policy Premiums Paid	8,002.43
Management Fees	
Member Expenses	
Benefits Paid/Transfers Out	
Superannuation Surcharge Tax	
Internal Transfer Out	
Closing balance at 30/06/2018	149,438.58

# Members Statement

Amanda Balmer  
 41 Regent Street  
 Kensington, South Australia, 5068, Australia

**Your Details**

Date of Birth : 04/05/1972  
 Age: 46  
 Tax File Number: Provided  
 Date Joined Fund: 17/12/2013  
 Service Period Start Date:  
 Date Left Fund:  
 Member Code: BALAMA00001A  
 Account Start Date 17/12/2013  
 Account Phase: Accumulation Phase  
 Account Description: Accumulation

**Nominated Beneficiaries** N/A  
**Vested Benefits** 149,871.03  
**Total Death Benefit** 1,693,563.97  
**Current Salary** 0.00  
**Previous Salary** 0.00  
**Disability Benefit** 1,394,185.67

**Your Balance**

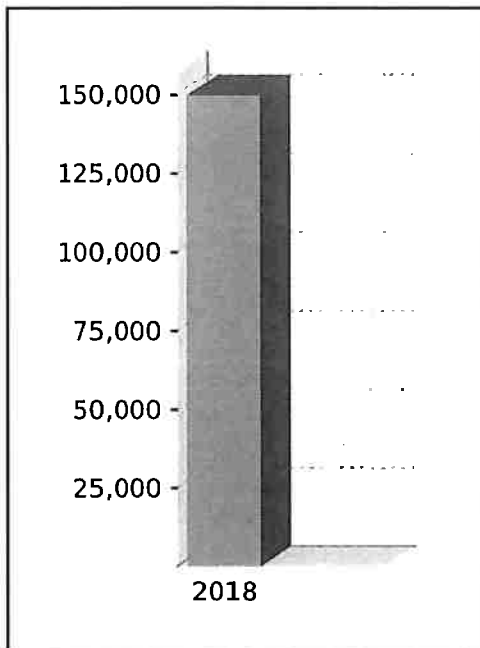
**Total Benefits** 149,871.03

Preservation Components

Preserved 149,803.12  
 Unrestricted Non Preserved 67.91  
 Restricted Non Preserved

Tax Components

Tax Free 25,795.65  
 Taxable 124,075.38



**Your Detailed Account Summary**

	This Year
Opening balance at 01/07/2017	140,854.69
<u>Increases to Member account during the period</u>	
Employer Contributions	9,959.15
Personal Contributions (Concessional)	
Personal Contributions (Non Concessional)	1,955.41
Government Co-Contributions	
Other Contributions	
Proceeds of Insurance Policies	
Transfers In	
Net Earnings	3,854.26
Internal Transfer In	
<u>Decreases to Member account during the period</u>	
Pensions Paid	
Contributions Tax	1,493.86
Income Tax	(389.06)
No TFN Excess Contributions Tax	
Excess Contributions Tax	
Refund Excess Contributions	
Division 293 Tax	
Insurance Policy Premiums Paid	5,647.68
Management Fees	
Member Expenses	
Benefits Paid/Transfers Out	
Superannuation Surcharge Tax	
Internal Transfer Out	
Closing balance at 30/06/2018	149,871.03

# Keates Balmer Family Super Fund Investment Summary Report

As at 30 June 2018

Investment	Units	Market Price	Market Value	Average Cost	Accounting Cost	Unrealised Gain/(Loss)	Gain/(Loss)%	Portfolio Weight%
<b>Cash/Bank Accounts</b>								
Westpac Super Working ****4708		2,501.350000	2,501.35	2,501.35	2,501.35			0.55 %
			2,501.35				0.00 %	0.55 %
<b>Plant and Equipment (at written down value) - Unutilised</b>								
KBFSF_AIR Samsung 360 Round Aircon x2 CON	1.00	0.000000	0.00	18,810.00	18,810.00	(18,810.00)	(100.00) %	0.00 %
KBFSF_SOL Solar System ARSYSTEM	1.00	0.000000	0.00	5,943.00	5,943.00	(5,943.00)	(100.00) %	0.00 %
KBFSF_SPLI Split System TSYSTEM	1.00	0.000000	0.00	9,020.00	9,020.00	(9,020.00)	(100.00) %	0.00 %
			0.00		33,773.00	(33,773.00)	(100.00) %	0.00 %
<b>Real Estate Properties (Australian - Non Residential)</b>								
KBFSF_SHO Shop Fittings 2014 PFITTINGS2 0	1.00	0.000000	0.00	2,475.00	2,475.00	(2,475.00)	(100.00) %	0.00 %
KBFSF_SHO Shop Fittings 2015 PFITTINGS2 1	1.00	0.000000	0.00	25,535.80	25,535.80	(25,535.80)	(100.00) %	0.00 %
KBFSF Unit 3 / 241 Pirie Street, Adelaide SA 5000	1.00	450,000.000000	450,000.00	398,742.50	398,742.50	51,257.50	12.85 %	99.45 %
			450,000.00		426,753.30	23,246.70	5.45 %	99.45 %
			452,501.35		463,027.65	(10,526.30)	(2.27) %	100.00 %



## Minutes of a meeting of the Director(s)

held on 30 June 2018 at Suite 3 241 Pirie Street, Adelaide, South Australia 5000

---

**PRESENT:** Warwick Keates and Amanda Balmer

**MINUTES:** The following declaration is made in respect of the assets listed below for the financial year ended 30 June 2018.

<b>Property</b>	3/241 Pirie Street, Adelaide SA 5000
<b>Land Title Reference</b>	Volume 5158 Folio 594
<b>Registered Proprietor(s)</b>	Keates Balmer Investments Pty Ltd
<b>Proportion Owned by Fund (if less than 100%)</b>	100%

The property was purchased by the Registered Proprietor(s) and is held on trust, with the Fund owning a beneficial interest in the property.

The valuation of the asset is at market value in accordance with the requirements of SIS Regulation 8.02B and subsection 10(1) of the SIS Act. We confirm that no event has occurred since the date of the last valuation which would cause a significant change to that valuation.

The property is rented to a member (or related party of the Fund) at current market rates and under normal commercial arrangements.

**CLOSURE:** All resolutions for this meeting were made in accordance with the SISA and Regulations.

There being no further business the meeting then closed.

Signed as a true record –



Warwick Keates

Chairperson

**Keates Balmer Family Super Fund**

**Minutes of a meeting of the Director(s)**

held on 30 June 2018 at Suite 3 241 Pirie Street, Adelaide, South Australia 5000

---

<b>PRESENT:</b>	Warwick Keates and Amanda Balmer
<b>MINUTES:</b>	The Chair reported that the minutes of the previous meeting had been signed as a true record.
<b>FINANCIAL STATEMENTS OF SUPERANNUATION FUND:</b>	<p>It was resolved that the financial statements would be prepared as special purpose financial statements as, in the opinion of the trustee(s), the superannuation fund is a non-reporting entity and therefore is not required to comply with all Australian Accounting Standards.</p> <p>The Chair tabled the financial statements and notes to the financial statements of the superannuation fund in respect of the year ended 30 June 2018 and it was resolved that such statements be and are hereby adopted as tabled.</p>
<b>TRUSTEE'S DECLARATION:</b>	It was resolved that the trustee's declaration of the superannuation fund be signed.
<b>ANNUAL RETURN:</b>	Being satisfied that the fund had complied with the requirements of the Superannuation Industry (Supervision) Act 1993 (SISA) and Regulations during the year ended 30 June 2018, it was resolved that the annual return be approved, signed and lodged with the Australian Taxation Office.
<b>TRUST DEED:</b>	The Chair tabled advice received from the fund's legal adviser confirming that the fund's trust deed is consistent with all relevant superannuation and trust law.
<b>INVESTMENT STRATEGY:</b>	The allocation of the fund's assets and the fund's investment performance over this financial year were reviewed and found to be within the acceptable ranges outlined in the investment strategy. After considering the risk, rate of return and liquidity of the investments and the ability of the fund to discharge its existing liabilities, it was resolved that the investment strategy continues to reflect the purposes and circumstances of the fund and its members. Accordingly, no changes in the investment strategy were required.
<b>INSURANCE COVER:</b>	The trustee(s) reviewed the current life and total and permanent disability insurance coverage on offer to the members and resolved that the current insurance arrangements were appropriate for the fund.
<b>ALLOCATION OF INCOME:</b>	It was resolved that the income of the fund would be allocated to the members based on their average daily balance (an alternative allocation basis may be percentage of opening balance).
<b>AUDITORS:</b>	<p>It was resolved that</p> <p>Anthony William Boys</p> <p>of</p> <p>PO Box 3376, Rundle Mall, South Australia 5000</p> <p>act as auditors of the Fund for the next financial year.</p>
<b>TAX AGENTS:</b>	<p>It was resolved that</p> <p>PDK Financial Synergy Pty Ltd</p> <p>act as tax agents of the Fund for the next financial year.</p>
<b>TRUSTEE STATUS:</b>	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 s 120 of the SISA.

Keates Balmer Family Super Fund

## Minutes of a meeting of the Director(s)

held on 30 June 2018 at Suite 3 241 Pirie Street, Adelaide, South Australia 5000

---

**CONTRIBUTIONS RECEIVED:**


It was resolved that the contributions during the year be allocated to members on the basis of the schedule provided by the principal Fund employer.

**CLOSURE:**

All resolutions for this meeting were made in accordance with the SISA and Regulations.

There being no further business the meeting then closed.

Signed as a true record –



A handwritten signature in black ink, appearing to read 'Warwick Keates', is written over a horizontal dotted line. The signature is stylized and extends to the right of the line.

Warwick Keates

Chairperson

# Keates Balmer Family Super Fund

## Projected Investment Strategy

---

### Overview

The aim of this strategy is to provide the Members with an income on retirement.

### Investment Objectives

The Trustee will at all times act prudently to maximise the rate of return, subject to acceptable risk parameters, and maintenance of appropriate diversification across a broad range of assets.

Having considered the risk profile of the fund and the member's needs and circumstances, the trustee has adopted the following objectives for the investment of assets of the fund;

- to achieve an investment return (based on market values and net of tax and charges) that exceeds the CPI by at least 3% per annum when measured over a rolling 5 year period.
- to have a probability of zero or negative returns in any 12 Month period of less than one in five years; and
- have sufficient liquidity to meet liabilities as and when they fall due.

### Investment Strategy

The fund will invest in a portfolio of assets according to market conditions and within the ranges specified below:

### Asset Allocation

The targeted asset allocation will be in the following ranges:

<u>Asset Class</u>	<u>Target Range</u>	<u>Benchmark</u>
Australian Shares	0 - 0 %	0 %
International Shares	0 - 0 %	0 %
Cash	10 - 50 %	1 %
Australian Fixed Interest	0 - 0 %	0 %
International Fixed Interest	0 - 0 %	0 %
Mortgages	0 - 0 %	0 %
Direct Property	50 - 99 %	99 %
Listed Property	0 - 0 %	0 %
Other	0 - 0 %	0 %

Quality companies and trusts as supported by research and fundamental analysis will be selected. Direct investments in property, artwork and lease equipment may form part of the strategy provided there is sufficient basis for the decision.

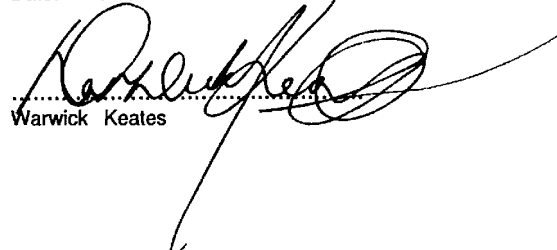
### Insurance

The Trustees have considered and consulted Professional Advice where necessary to ensure that all fund members have the correct type and level of insurance. Insurance may be held within or outside the SMSF.

### Review and Monitoring

The trustees will monitor and review the fund's investment activities on a regular basis and to communicate with the members should they feel that any change in strategy is necessary in order to achieve the fund's objective.

Date: 01/07/2017

  
.....  
Warwick Keates



**Keates Balmer Family Super Fund**  
**Projected Investment Strategy**

---

.....  
Amanda Balmer



# **Audit Representation Letter from Trustee(s)**

## **Keates Balmer Family Super Fund**

**Year ended 30 June 2018**

To the auditor,

Dear Sir,

With respect to the audit of the financial statements of the above mentioned fund for the year ended stated, the following representations are made which are true and correct to the best of my (our) knowledge and belief that will address the necessary compliance requirements of the *Superannuation Industry (Supervision) Act 1993*.

### **Preparation of the ATO Income Tax & Regulatory Return**

The information disclosed in the annual return is complete and accurate.

### **Sole Purpose of the Fund**

The sole purpose of the Fund is to provide retirement and/or death benefits to its members and/or beneficiaries.

### **Accounting Policies**

All the significant accounting policies of the Fund are adequately described in the Financial Statements and the Notes thereto. These policies are consistently applied unless specifically noted in the Financial Statements and Notes.

### **Fund Books/Records/Minutes**

All financial books, records and relevant material relating to the transactions and activities of the Fund have been made available to you, including minutes of the Trustees' meetings, the Trust Deed (as amended) and the Rules of the Fund. The Financial Statements accurately disclose the Revenue and Expenses and the full extent of the Assets and Liabilities of the Fund.

### **Asset Form**

The assets of the Fund are being held in an acceptable form suitable for the benefit of the members of the Fund, and have been stated at their net market value.

### **Ownership and Pledging of Assets**

1. The Fund has satisfactory title to all assets shown in the Financial Statements
2. Investments are registered in the name of the fund
3. No assets of the Fund have been pledged to secure liabilities of the Fund or of any other fund or entity.

### **Investments**

1. Investments are carried in the books at their net market value.
2. Amounts stated are considered reasonable in the current market condition, and there has not been any permanent diminution in their value below the amounts recorded in the Financial Statements.
3. There are no commitments, fixed or contingent, for the purchase or sale of long term investments.
4. Investment transactions and investments held are in accordance with the Investment Strategy, which has been determined with due regard to risk, return, liquidity and diversity.
5. The Trustee(s) have complied with all the Investment Standards stipulated in the Regulations relating to the SIS Act as amended.

### **Trust Deed Amendments**

All amendments (if any) to the Trust Deed were made in order for the Fund to comply with the SIS Act, Regulations and any other applicable legislation relating to the operation and governance of the Fund.

### **Governing Rules**

The Fund is being conducted in accordance with its Trust Deed and Governing Rules.

### **Legislative Requirements**

The Fund is being conducted in accordance with the *Superannuation Industry (Supervision) Act 1993*, and the Regulations of the said Act. Including minimum pension payments to members entitled to receive a pension.

### **Contributions**

The Trustees confirm the contributions, if any, received by the fund are within the limits imposed by the legislation, taking into account contributions paid by the members to other superannuation funds. Correspondence from the member(s) has been received and recorded by the trustees for all contributions from the member(s).

### **Use of Assets**

All assets of the Fund have been acquired and used for the sole purpose of generating retirement benefits in accordance with the *Superannuation Industry (Supervision) Act 1993*, the Trust Deed of the Fund and the Investment Strategy of the Fund.

### **Pension Payments and Withdrawal of Funds**

All pension payments (if any) and all withdrawal of funds from the accounts of the Fund have been made in accordance with statutory limitations imposed by legislation governing the Fund and all withdrawals of funds have been in accordance with the *Superannuation (Supervision) Act 1993*.

### **Trustee Responsibilities**

The Trustees are aware of their responsibilities and obligations to the Members and the various regulatory bodies that govern, administer and enforce respective applicable legislation.

**Trustee Covenants**

The Trustee(s) have complied with all the Trustee Covenants set out in section 52 of the *Superannuation (Supervision) Act 1993*.

**Legal Matters**

The Trustees confirm you have been advised of all significant legal matters, and that the probability of any material revenue or expenses arising from such legal matters has been adequately accounted for, and been appropriately disclosed in the financial report.

**Related Parties**

All related party transactions have been brought to your attention.

**Disqualified person not to act as a Trustee**

There is no reason why any Trustee should be prohibited from acting as a Trustee of this Superannuation Fund.

**Information to Members**

Information relating to the transactions and activities of the Fund has been supplied in a timely manner.

**Meetings**

Meetings have been conducted in accordance with the Trust Deed and the requirements of the SIS Act. Resolutions and issues on which the Trustee(s) have voted, or on which they were required to vote have been passed by at least a 2/3rds majority of the Trustees.

**Subsequent Events**

Since the end of the financial year stated in the Financial Statements till the date of this letter, there have been no events or transactions that would have a material effect upon the Fund either financially or operationally.

Yours faithfully

  
Trustee / Director

  
Trustee / Director

Date: 21/12 2018