

KENWAY SUPERANNUATION FUND

Statement of Financial Position

As at 30 June 2018

	Note	2018 \$	2017 \$
Assets			
Investments			
Fixed Interest Securities (Australian)	2	16,905.80	0.00
Plant and Equipment (at written down value) - Unitised	3	0.00	2,072.36
Real Estate Properties (Australian - Non Residential)	4	107,100.00	98,600.00
Shares in Listed Companies (Australian)	5	180,183.39	146,328.79
Units in Listed Unit Trusts (Australian)	6	8,593.17	9,487.28
Units in Unlisted Unit Trusts (Australian)	7	14,200.00	12,700.00
Total Investments		<u>326,982.36</u>	<u>269,188.43</u>
Other Assets			
Sundry Debtors		114.54	2,021.14
Reinvestment Residual Account		23.65	40.41
Distributions Receivable		381.19	367.54
CBA Direct Investment A/c		77,675.04	45,013.48
CBA Term Deposit A/c		0.00	16,494.17
Income Tax Refundable		278.66	0.00
Total Other Assets		<u>78,473.08</u>	<u>63,936.74</u>
Total Assets		<u>405,455.44</u>	<u>333,125.17</u>
Less:			
Liabilities			
GST Payable		192.75	364.08
Income Tax Payable		0.00	1,401.06
Sundry Creditors		3,501.92	1,937.34
ATO Integrated A/c		0.00	(284.00)
Total Liabilities		<u>3,694.67</u>	<u>3,418.48</u>
Net assets available to pay benefits		<u>401,760.77</u>	<u>329,706.69</u>
Represented by:			
Liability for accrued benefits allocated to members' accounts	9, 10		
Kenway, Paul - Accumulation		230,089.94	194,985.38
Kenway, Michelle - Accumulation		171,670.83	134,721.31
Total Liability for accrued benefits allocated to members' accounts		<u>401,760.77</u>	<u>329,706.69</u>

Refer to compilation report

KENWAY SUPERANNUATION FUND

Operating Statement

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
Income			
Investment Income			
Trust Distributions	13	1,381.95	1,332.40
Dividends Received	12	3,909.41	3,289.52
Interest Received		658.50	422.71
Property Income	14	5,199.84	10,310.00
Investment Gains			
Changes in Market Values	15	39,632.09	13,629.10
Contribution Income			
Employer Contributions		31,879.96	9,879.96
Personal Concessional		0.00	25,000.00
Total Income		<u>82,661.75</u>	<u>63,863.69</u>
Expenses			
ATO Supervisory Levy		259.00	259.00
Bank Charges		0.00	0.60
Depreciation		0.00	365.71
Fines		0.00	180.00
Property Expenses - Council Rates		859.82	826.65
Property Expenses - Insurance Premium		351.91	323.85
Property Expenses - Repairs Maintenance		0.00	1,406.92
Property Expenses - Strata Levy Fees		1,539.88	2,082.33
		<u>3,010.61</u>	<u>5,445.06</u>
Member Payments			
Life Insurance Premiums		3,575.72	2,972.98
Total Expenses		<u>6,586.33</u>	<u>8,418.04</u>
Benefits accrued as a result of operations before income tax		<u>76,075.42</u>	<u>55,445.65</u>
Income Tax Expense	16	4,021.34	5,204.06
Benefits accrued as a result of operations		<u>72,054.08</u>	<u>50,241.59</u>

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 Trustee(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.

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. Goods and Services Tax (GST)

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

The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or other payables in the statement of financial position.

f. Critical Accounting Estimates and Judgements

The preparation of financial statements requires the trustees to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

Note 2: Fixed Interest Securities (Australian)

	2018 \$	2017 \$
CBA Term Deposit A/c 50207361	16,905.80	0.00
	16,905.80	0.00

Note 3: Plant and Equipment (at written down value) - Unitised

	2018 \$	2017 \$
6/32 Middle Street, Cleveland	0.00	2,072.36

KENWAY SUPERANNUATION FUND

Notes to the Financial Statements

For the year ended 30 June 2018

	0.00	2,072.36
Note 4: Real Estate Properties (Australian - Non Residential)		
	2018	2017
	\$	\$
6/32 Middle Street, Cleveland (34% Fund, 66% Paul Kenway)	107,100.00	98,600.00
	107,100.00	98,600.00
Note 5: Shares in Listed Companies (Australian)		
	2018	2017
	\$	\$
Anatara Lifesciences Ltd	1,524.00	2,400.00
Australia And New Zealand Banking Group Limited	5,563.28	5,341.92
Aurizon Holdings Limited	9,422.08	11,663.36
Bellamy's Australia Limited	12,913.74	5,742.21
Bega Cheese Limited	5,979.87	5,253.57
BHP Group Limited	25,500.32	17,506.56
Blackmores Limited	10,402.50	6,996.32
Cochlear Limited	15,813.43	12,280.55
CSL Limited	59,326.96	42,513.24
Origin Energy Limited	2,557.65	1,749.30
Ramsay Health Care Limited	10,903.96	14,867.20
Westpac Banking Corporation	20,275.60	20,014.56
	180,183.39	146,328.79
Note 6: Units in Listed Unit Trusts (Australian)		
	2018	2017
	\$	\$
Aveo Group	3,924.45	4,489.70
Stockland	4,668.72	4,997.58
	8,593.17	9,487.28
Note 7: Units in Unlisted Unit Trusts (Australian)		
	2018	2017
	\$	\$
Cromwell Ipswich City Heart Trust	14,200.00	12,700.00

KENWAY SUPERANNUATION FUND**Notes to the Financial Statements**

For the year ended 30 June 2018

	14,200.00	12,700.00
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Note 9: Liability for Accrued Benefits

	2018 \$	2017 \$
Liability for accrued benefits at beginning of year	329,706.69	279,465.10
Benefits accrued as a result of operations	72,054.08	50,241.59
Current year member movements	0.00	0.00
Liability for accrued benefits at end of year	401,760.77	329,706.69

Note 10: 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	401,760.77	329,706.69

Note 11: Guaranteed Benefits

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

Note 12: Dividends

	2018 \$	2017 \$
Aurizon Holdings Limited	498.30	585.35
BHP Group Limited	928.98	539.18
Bega Cheese Limited	84.74	80.70
Bellamy's Australia Limited	0.00	64.82
Blackmores Limited	211.70	248.20
CSL Limited	591.43	487.67
Cochlear Limited	221.20	197.50
Ramsay Health Care Limited	280.78	199.94
South32 Limited	0.00	4.44

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Notes to the Financial Statements

For the year ended 30 June 2018

Westpac Banking Corporation	1,092.28	881.72
	3,909.41	3,289.52
Note 13: Trust Distributions		
	2018	2017
	\$	\$
Stockland	311.64	287.05
Aveo Group	145.35	145.35
Cromwell Ipswich City Heart Trust	924.96	900.00
	1,381.95	1,332.40
Note 14: Rental Income		
	2018	2017
	\$	\$
6/32 Middle Street, Cleveland (34% Fund, 66% Paul Kenway)	5,199.84	10,310.00
	5,199.84	10,310.00
Note 15: Changes in Market ValuesUnrealised Movements in Market Value		
	2018	2017
	\$	\$
Plant and Equipment (at written down value) - Unitised		
6/32 Middle Street, Cleveland	8,261.27	0.00
	8,261.27	0.00
Real Estate Properties (Australian - Non Residential)		
6/32 Middle Street, Cleveland (34% Fund, 66% Paul Kenway)	6,427.64	0.00
	6,427.64	0.00
Shares in Listed Companies (Australian)		
Anatara Lifesciences Ltd	(876.00)	(624.00)
Aurizon Holdings Limited	(2,241.28)	1,175.04
Australia And New Zealand Banking Group Limited	221.36	1,096.80
BHP Group Limited	7,993.76	3,481.76
Bega Cheese Limited	726.30	685.95
Bellamy's Australia Limited	7,171.53	(2,742.30)
Blackmores Limited	3,406.18	(2,595.15)

KENWAY SUPERANNUATION FUND

Notes to the Financial Statements

For the year ended 30 June 2018

CSL Limited	16,813.72	8,491.45
Cochlear Limited	3,532.88	2,701.80
Origin Energy Limited	808.35	283.05
Ramsay Health Care Limited	(3,963.24)	645.75
South32 Limited	0.00	706.64
Westpac Banking Corporation	(848.00)	571.32
	32,745.56	13,878.11
Units in Listed Unit Trusts (Australian)		
Aveo Group	(565.25)	(629.85)
Stockland	(475.86)	(172.33)
	(1,041.11)	(802.18)
Units in Unlisted Unit Trusts (Australian)		
Cromwell Ipswich City Heart Trust	1,500.00	900.00
	1,500.00	900.00
Total Unrealised Movement	47,893.36	13,975.93
Realised Movements in Market Value		
	2018	2017
	\$	\$
Plant and Equipment (at written down value) - Unitised		
6/32 Middle Street, Cleveland	(8,261.27)	0.00
	(8,261.27)	0.00
Shares in Listed Companies (Australian)		
South32 Limited	0.00	(346.83)
	0.00	(346.83)
Total Realised Movement	(8,261.27)	(346.83)
Total Market Movement	39,632.09	13,629.10
Note 16: Income Tax Expense		
	2018	2017
	\$	\$
The components of tax expense comprise		
Current Tax	4,021.34	5,204.06

KENWAY SUPERANNUATION FUND**Notes to the Financial Statements**

For the year ended 30 June 2018

Income Tax Expense	4,021.34	5,204.06
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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%	11,411.31	8,316.85
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Less:

Tax effect of:

Increase in MV of Investments	7,184.00	2,096.39
Realised Accounting Capital Gains	(1,239.19)	(52.02)
Accounting Trust Distributions	207.29	199.86
Tax Adjustment - Capital Works Expenditure (D1)	224.70	0.00
Tax Adjustment - Decline in value of depreciating assets (E1)	37.05	0.00

Add:

Tax effect of:

Other Non-Deductible Expenses	0.00	27.00
Franking Credits	197.28	168.54
Foreign Credits	0.00	0.01
Taxable Trust Distributions	142.26	58.09
Distributed Foreign Income	0.00	1.65
Rounding	(0.45)	(0.16)

Income Tax on Taxable Income or Loss	5,336.55	6,327.75
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Less credits:

Franking Credits	1,315.21	1,123.62
Foreign Credits	0.00	0.07

Current Tax or Refund	4,021.34	5,204.06
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