

MK Day Superannuation Fund

ABN 45 309 489 962
Trustees: MK Day Pty Ltd

Financial Statement
For the year ended 30 June 2020



MK Day Superannuation Fund

Reports

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MK Day Superannuation Fund
Statement of Financial Position
as at 30 June 2020

	2020 \$	2019 \$
Assets		
Investments		
Direct Property	365,346.19	364,267.85
Other Assets		
Cash At Bank	43,434.77	56,916.06
Total Assets	<u>408,780.96</u>	<u>421,183.91</u>
Liabilities		
Borrowings	31,416.03	59,610.25
Income Tax Payable	1,968.30	9,004.60
Other Taxes Payable	2,786.94	833.29
Total Liabilities	<u>36,171.27</u>	<u>69,448.14</u>
Net Assets Available to Pay Benefits	<u>372,609.69</u>	<u>351,735.77</u>
<i>Represented by:</i>		
Liability for Accrued Benefits		
Mr Matthew Day	239,411.06	227,397.87
Mrs Kate Day	133,198.63	124,337.90
Total Liability for Accrued Benefits	<u>372,609.69</u>	<u>351,735.77</u>

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

MK Day Superannuation Fund
Operating Statement
For the period 1 July 2019 to 30 June 2020

	2020	2019
	\$	\$
Income		
Member Receipts		
Rollovers In	-	9,288.33
Contributions		
Employer	13,154.38	50,000.00
Member	-	1,699.02
Investment Income		
Interest	369.67	913.81
Rent	25,520.00	30,160.00
	<u>39,044.05</u>	<u>92,061.16</u>
Expenses		
Member Payments		
Insurance Premiums	2,204.39	2,001.19
Other Expenses		
Accountancy Fee	2,986.50	2,425.50
Auditor Fee	330.00	385.00
Interest Paid	4,321.38	3,309.33
Property Expenses	4,590.16	4,035.86
Regulatory Fees	54.00	316.00
SMSF Supervisory Levy	-	518.00
	<u>14,486.43</u>	<u>12,990.88</u>
Benefits Accrued as a Result of Operations before Income Tax	24,557.62	79,070.28
Income Tax		
Income Tax Expense	3,683.70	10,212.60
	<u>3,683.70</u>	<u>10,212.60</u>
Benefits Accrued as a Result of Operations	<u>20,873.92</u>	<u>68,857.68</u>

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

MK Day Superannuation Fund

Notes to the Financial Statements

As at 30 June 2020

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.

MK Day Superannuation Fund

Notes to the Financial Statements

As at 30 June 2020

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 are recorded by the Fund, gross of any taxes, in the period to which they relate.

MK Day Superannuation Fund
Notes to the Financial Statements
As at 30 June 2020

(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 18 December 2020 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:

	Current	Previous
Liability for Accrued Benefits at beginning of period	351,735.77	282,878.09
Benefits Accrued during the period	20,873.92	68,857.68
Benefits Paid during the period	0.00	0.00
Liability for Accrued Benefits at end of period	372,609.69	351,735.77

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.

	Current	Previous
Vested Benefits at beginning of period	351,735.77	282,878.09
Benefits Accrued during the period	20,873.92	68,857.68
Benefits Paid during the period	0.00	0.00
Vested Benefits at end of period	372,609.69	351,735.77

MK Day Superannuation Fund
Notes to the Financial Statements
As at 30 June 2020

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

	Current	Previous
At market value:		
Unit 14/5-7 Channel Road Mayfield West	365,346.19	364,267.85
	365,346.19	364,267.85

Note 7A – Interest

	Current	Previous
Direct investment Account	369.67	913.81
	369.67	913.81

Note 7B – Rent

	Current	Previous
Unit 14/5-7 Channel Road Mayfield West	25,520.00	30,160.00
	25,520.00	30,160.00

Note 9 – Subsequent Events

Subsequent to the end of the financial year there have been considerable economic impacts in Australia and globally arising from the Coronavirus (COVID-19) pandemic, and Government actions to reduce the spread of the virus.

At the date of signing the financial statements the Trustees are unable to determine what financial effects the outbreak of the virus could have on the fund in the coming financial period.

No financial effects arising from the economic impacts of the virus have been included in the financial statements for the year ended 30 June 2019. The impacts may include a significant reduction in the carrying value of the SMSF assets and investments. The Trustees acknowledge their responsibility to continuously monitor the situation and evaluate this impact including whether the fund remains a going concern and its ability to pay its liabilities and future retirement benefits.

Compilation Report to the Trustees and Members of MK Day Superannuation Fund

ABN 45 309 489 962
For the period 01 July 2019 to 30 June 2020

On the basis of the information provided by the Trustees of MK Day Superannuation Fund, we have compiled the accompanying special purpose financial statements of MK Day Superannuation Fund for the period ended 30 June 2020, 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 MK Day Superannuation 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 MK Day Superannuation 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 conclusion¹ 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: 18 December 2020



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

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

¹ Refer to AUASB Standards for the issuance of audit opinions and review conclusions

MK Day Superannuation Fund

Trustee Declaration

In the opinion of the Trustees of the MK Day Superannuation 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 2020 present fairly the financial position of the Fund at 30 June 2020 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 2020.

Signed in accordance with a resolution of the directors of MK Day Pty Ltd by:



.....
Matthew Day
Director: MK Day Pty Ltd

Dated: Feb 13, 2021
.....



.....
Kate Day
Director: MK Day Pty Ltd

Dated: Jan 12, 2021
.....

**MINUTES OF THE MEETING OF THE DIRECTOR(S) OF THE CORPORATE TRUSTEE MK
DAY PTY LTD ATF
MK DAY SUPERANNUATION FUND
HELD ON/...../..... AT
5-7 CHANNEL ROAD, MAYFIELD WEST NSW**

PRESENT

Matthew Day
Kate Day

**APPROVAL OF
PREVIOUS MINUTES:**

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

**ALLOCATION OF
CONTRIBUTION:**

It was resolved that the contributions received during the year be allocated to members as follows:

Member Name/Contribution type	Amount
<i>Mr Matthew Day</i> Employer	6,577.19
<i>Mrs Kate Day</i> Employer	6,577.19

The contributions will be subject to normal preservation and payment rules under the *Superannuation Industry (Supervision) Regulations 1994 (SISR)*

**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 Matthew Day</i> Accumulation	8,771.98	1,315.85	986.58	(182.39)
<i>Mrs Kate Day</i> Accumulation	4,835.65	725.35	986.58	(148.27)

**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 2020 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 2020, 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 (S/ISA)*, during the year ended 30 June 2020.

INCOME TAX RETURN:

The completed Self-Managed Superannuation Fund Annual Return for the financial year ended 30 June 2020 was tabled for consideration at the meeting.

It was resolved that:

1. the particulars contained in the 2020 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 2020 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 *S/SA*.

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

Tony Boys
of

PO Box 3376
Rundle Mall, SA 5000

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.



Matthew Day
Chairperson

..... Dated: Feb 13, 2021

MK Day Superannuation Fund

Dear Trustee

MK Day Superannuation Fund
Audit Engagement Letter

Objectives and Scope of the Audit

You have requested that we audit the financial statements of the SMSF for the year ended 30 June 2020. We are pleased to confirm our acceptance and understanding of this engagement by means of this letter.

Our audit will be performed in accordance with Australian Auditing Standards, the *Superannuation Industry (Supervision) Act 1993* (SISA) and the *Superannuation Industry (Supervision) Regulations* (SISR) with the objective of expressing an opinion on the financial report and the fund's compliance with the specified requirements of the SISA and the SISR.

Our Responsibilities

We will conduct our audit in accordance with Australian Auditing Standards. Those Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. An audit also includes evaluating the appropriateness of the financial reporting framework, accounting policies used and the implementation and operation of accounting and internal control systems that are designed to prevent and detect fraud and error, as well as evaluating the overall presentation of the financial report.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatement may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

In making our risk assessments, we consider internal control relevant to the entity's preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. We will, however, communicate to you in writing any significant deficiencies in internal control relevant to the audit of the financial report that we have identified during the audit.

Trustees' Responsibilities

Our audit will be conducted on the basis that the trustee(s) acknowledge and understand that they have responsibilities:

- For the preparation of the financial report that gives a true and fair view in accordance with the Australian Auditing Standards, other mandatory reporting requirements and the SIS Act and SIS Regulations is that of the trustee(s);
- For such internal control as the trustee(s) determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error; and
- To provide us with:
 - Access to all information of which the trustees are aware that is relevant to the preparation of the financial report such as records, documentation and other matters;

- Additional information that we may request from the trustees for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from trustees written confirmation concerning representations made to us in connection with the audit.

Australian Auditing Standards require that we determine whether the financial reporting framework applied in the preparation of this special purpose of financial report is acceptable. If we determine the financial reporting framework to be unacceptable, we will not be able to undertake the audit engagement unless the framework is amended and then determined to be acceptable.

If a qualified audit report is to be issued following the completion of our audit, we will advise the details to you in a timely manner and prior to the issue of our report.

Audit of SIS Compliance

For the year ended 30 June 2020, we are required to form an opinion in respect of compliance with certain aspects of SIS. Our report must refer to the following sections and regulations:

Sections: 17A, 35AE, 35B, 35C(2), 52, 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, 13.22C

Report on Significant Matters

Under section 129 of the SISA we are required to report to you in writing. If during the course of, or in connection with, our audit, we become aware of any contravention of the Act or Regulations which we believe has occurred, is occurring or may occur.

We are also required to report to the ATO, as regulator, any contravention of the SISA and the SISR, where we believe the contravention may affect the interests of the members of beneficiaries of the fund.

In addition, we are also required under section 130 to report to you if we believe the superannuation fund may be, or may be about to become, in an unsatisfactory financial position. If we are not satisfied with your response as trustee(s) as to the action taken to rectify the situation or we receive no response, we are obliged to report the matter to the ATO.

A failure on the part of the trustee to rectify these breaches to the satisfaction of the ATO may result in significant penalties to the trustee and the fund itself.

In addition to our report on the financial statements, we will also report to you any material weaknesses in the fund's system of accounting and internal control which come to our notice during the course of our audit.

Quality Control

The conduct of our audit in accordance Australian Auditing Standards means that information acquired by us in the course of our audit is subject to strict confidentiality requirements. Information will not be disclosed by us to other parties except as required or allowed for by law or professional standards, or with your expressed consent.

Our audit files may, however, be subject to review as part of the quality control review program of Regulators and or Professional Bodies which monitors compliance with professional standards by its members.

We advise you that by signing this letter you acknowledge that, if requested, our audit files relating to this audit will be made available under this program. Should this occur, we will advise you. The same strict confidentiality requirements apply under this program as apply to us as your auditor.

Independence/Conflict of Interest

We have established policies and procedures designed to ensure our independence, including policies on holding financial interests in the superannuation fund and other related parties, rotation of audit partners, business relationships, employment relationships, and the provision of non-audit services in accordance with professional statement APES 110 – Code of Ethics for Professional Accountants.

Outsourced Services

We do not use any outsourced services in overseas locations when conducting client assignments.

Data Storage

We use data storage located in the office but it may be replicated to other locations.

Accepting our services as part of this engagement agreement indicates your acceptance of the use of outsourced services, cloud hosted software and outsourced data storage under the conditions outlined above.

Limitation of Liability

Our firm’s liability to you or any other user of the audit report is limited by a Scheme approved under Professional Standards Legislation.

Other

We would appreciate acknowledgement of terms and conditions set out in this letter. Please note that this letter will be effective for future years unless the terms of the engagement are altered by future correspondence.

Please sign and return the attached copy of this letter to indicate that it is in accordance with your understanding of the arrangements for our audit of the financial report.

If you have any queries in relation to this please contact me.

To: MR ANTHONY BOYS

I hereby confirm your appointment as Auditor under the above terms of engagement.

For and on behalf of MK Day Pty Ltd as trustee for the MK Day Superannuation Fund

**Signed &
Dated**



Yours sincerely
ANTHONY BOYS – REGISTERED COMPANY AUDITOR

DATED:

Signed document to be returned to P.O. Box 3376 Rundle Mall 5000

ANTHONY BOYS
PO BOX 3376,
RUNDLE MALL 5000

Dear Anthony,

MK Day Superannuation Fund
Superannuation Fund Management/Trustee Representation Letter

In connection with your audit examination of the financial report of MK Day Superannuation Fund for the year ended 30 June 2020, hereby confirm, at your request that to best of our knowledge and belief, the following representation relating to the accounts are correct.

Financial Report

We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, for the preparation of the financial report.

The management/trustee have determined that the fund is not a reporting entity for the year ended 30 June 2020 and that the requirement to apply Australian Accounting Standards and other mandatory reporting requirements do not apply to the fund. Accordingly, the financial report prepared is a special purpose financial report, which is for distribution to members of the fund and to satisfy the requirement of the SISA and the SISR, and to confirm that the financial report is free of material misstatements, including omissions.

Sole Purpose

The fund has been maintained for the sole purpose of providing superannuation benefits to its members and their dependents.

Superannuation Fund Books/Records/Minutes

- (a) We have made available to you all financial records and related data, other information, explanations and assistance necessary for the conduct of the audit.
- (b) We have made available to you Minutes of all trustee(s)' meetings and the Trust Deed.
- (c) We have established and maintained an adequate internal control structure to facilitate the preparation of reliable financial statements, and adequate financial records have been maintained. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
- (d) We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities.
- (e) Records maintained during the period were in accordance with the Australian Taxation Office requirements.

Asset Form

The assets of the superannuation fund are being held in a form suitable for the benefit of the members of the fund, and have been held in accordance with the fund's investment strategy.

Ownership and Pledging of Assets

The superannuation fund has satisfactory title to all assets disclosed in the Statement of Financial Position. Investments are registered in the name of the trustee(s).

No assets of the superannuation fund have been pledged to secure liabilities of the superannuation fund or of others.

Investments

- (a) We have considered the requirement of generally accepted accounting standards in regards to impairment of assets when assessing the impairment of assets and in ensuring that no assets are stated in excess of their recoverable amount.
- (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 statements.
- (c) The investment strategy has been determined with due regard to risk, return, liquidity, diversity and the insurance needs of fund members, and the assets of the fund are in line with this strategy.
- (d) All investments are acquired, maintained and disposed of on an arm's length basis.

Trust Deed

The superannuation fund is being conducted in accordance with its Trust Deed.

Superannuation Industry (Supervision) Act and Regulations

- (a) The fund meets the definition of a self-managed superannuation fund under the SISA.
- (b) The fund has been conducted in accordance with the SISA, the SISR and its governing rules at all times during the year. Also there were no amendments to the governing rules during the year, except as notified to you.
- (c) The fund is being conducted in accordance with the SISA and the SISR, in particular the relevant requirements of the following provisions:

Sections: 17A, 35AE, 35B, 35C(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
- (d) The trustee(s) have been nominated and may only be removed in such manner and circumstances as are allowed in the Trust Deed.
- (e) The trustees are not disqualified persons under s126K of the SISA.
- (f) Any vacancy among the trustee(s) is filled in accordance with the Trust Deed.
- (g) The trustee(s) have complied with all trustee standards set out in SISR and the covenant prescribed by section 52 of the SISA.
- (h) The trustee(s) have complied with all investment standards set out in the SISA and the SISR.
- (i) Information retention obligations have been complied with.

- (j) All contributions accepted and benefits paid have been in accordance with the governing rules of the fund and relevant provisions of the SISA and the SISR.

There are no breaches or possible breaches of the SIS legislation whose effects should be considered for disclosure in the financial report or to the Australian Taxation Office.

Commitments

- (a) There are no material commitments for construction or acquisition of property, plant and equipment to acquire other non-current assets, such as investments or intangibles, other than those disclosed in the financial report.
- (b) There were no commitments for purchase or sale of securities or assets or any options given by the fund including options over share capital.

Taxation

- (a) We have calculated income tax expense, current tax liability, deferred tax liability and deferred tax asset according to the definitions of taxable income and allowable deductions. We have calculated and recognised all other applicable taxes according to the relevant tax legislation.
- (b) There are no activities that invoke the anti-avoidance provisions of any applicable tax legislation.

Borrowings

The trustees have not borrowed money on behalf of the superannuation fund with the exception of borrowings which were allowable under the SIS Act and the SIS Regulations.

Related Parties

- (a) The fund has not made any loans to, or provided financial assistance to members of the fund or their relatives.
- (b) No asset has been acquired from a member or related party other than as permitted under the SISA and the SISR.
- (c) Related party transactions and related amounts receivable or payable have been properly disclosed in the financial statements.

Accounting Misstatement Detected by Audit

There has been no misstatement noted by audit during the course of the current year audit.

Insurance

The superannuation fund has an established procedure whereby an officer reviews at least annually the adequacy of insurance cover on all assets and insurable risks where relevant. This review has been performed and where it is considered appropriate, assets and insurable risks of the superannuation fund are adequately covered by insurance.

Accounting Estimates

We confirm the significant assumptions used in making accounting estimates are reasonable.

Fair Value Measurements and Disclosures

We confirm that significant assumptions used in fair value measurements and disclosures are reasonable and appropriately reflect our intent and ability to carry out specific courses of action on behalf of the fund.

Going Concern

In the opinion of the trustees there are reasonable grounds to believe that the superannuation fund will be able to:

- Pay its debts as and when they fall due.
- Continue as a going concern for the foreseeable future.

We, therefore, confirm that the going concern basis is appropriate for the financial report.

Events after Balance Sheet Date

We are not aware of any events that have occurred between the financial reporting date to the date of this letter that we need to disclose or recognise in the financial report.

Comparative Information

We confirm that there have been no restatements made to correct a material misstatement in the prior period financial report that affects the comparative information.

Fraud and Error

- (a) There has been no:
 - (i) Fraud, error, or non-compliance with laws and regulations involving management or employees who have a significant role in the internal control structure.
 - (ii) Fraud, error, or non-compliance with laws and regulations that could have a material effect on the financial report.
 - (iii) Communication from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.
- (b) The superannuation fund has disclosed to the auditor all significant facts relating to any frauds or suspected frauds known to management that may have affected the superannuation fund.
- (c) The superannuation fund has disclosed to the auditor the results of its assessment of the risk that the financial report may be materially misstated as a result of fraud.

Legal Matters

We confirm that all matters that may result in legal action against the fund or the trustees in respect of the fund, have been discussed with a solicitor and brought to the attention of the auditor so that a solicitor's representation letter may be obtained.

General

- (a) Neither the superannuation fund nor any Trustees have any plans or intentions that may materially affect the book value or classification of assets and liabilities at balance sheet date.
- (b) The superannuation fund accepts responsibility for the implementation and operations of accounting and internal control systems that are designed to prevent and detect fraud and error. We have established and maintained adequate internal control to facilitate the

preparation of a reliable financial report, and adequate financial records have been maintained. There are no material transactions that have not been properly recorded in the accounting records underlying the financial report.

- (c) There are no violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial report or as a basis for recording an expense.
- (d) The superannuation fund has complied with all aspects of contractual agreements that would have a material effect on the financial report in the event of non-compliance.

We understand that your examination was made in accordance with the Australian Auditing Standards and was, therefore, designed primarily for the purpose of expressing an opinion on the financial report of the fund taken as a whole, and that your tests of the financial records and other auditing procedures were limited to those which you considered necessary for that purpose.

Additional Matters

There are no additional matters.

Signed by MK Day Pty Ltd as Trustee for the MK Day Superannuation Fund



Matthew Day (Director)



Kate Day (Director)

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 MK Day Superannuation Fund

Australian business number (ABN) or tax file number (TFN): 45 309 489 962

Address C/- PO Box 1798 Newcastle NSW 2300

Year of income being audited 1 July 2019 – 30 June 2020

To the SMSF trustees

To the trustees of the MK Day Superannuation Fund



AUDITING
DUE DILIGENCE
FORENSIC ACCOUNTING

Part A: Financial audit

Opinion

I have audited the special purpose financial report of the MK Day Superannuation Fund comprising; the Profit & Loss Statement for the financial year ending 30 June 2020, the Balance Sheet as at 30 June 2020 and the Notes to and forming part of the Accounts for the year ended 30 June 2020 of the MK Day Superannuation Fund for the year ended 30 June 2020.

In my opinion, the financial report, presents fairly, in all material respects, in accordance with the accounting policies described in the notes to the financial report, the financial position of the fund at 30 June 2020 and the results of its operations for the year then ended.

Basis for Opinion

My audit has been conducted in accordance with Australian Auditing Standards¹. 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 SMSF in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to this audit and 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

I draw attention to note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared to assist MK Day 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 and should not be distributed to parties other than the trustees. My opinion is not modified in respect of this matter.

Responsibilities of SMSF trustees for the financial report

Each SMSF trustee (individual trustee or director of the 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

¹The Australian Auditing Standards issued by the Auditing and Assurance Standards Board.

presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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, or have no realistic alternative but to do so. 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.

Each SMSF trustee is responsible for overseeing the fund's financial reporting process.

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

My objectives are 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.

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 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 engagement

Qualified Opinion

I have undertaken a reasonable assurance engagement on the MK Day Superannuation Fund's compliance, in all material respects, with applicable provisions of the SISA and the SISR as listed below ("the listed provisions") for the year ended 30 June 2020.

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)

In my opinion, each trustee of MK Day Superannuation Fund has complied, in all material respects, with the listed provisions, for the year ended 30 June 2020, **except for section 65.**

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 and other ethical requirements relating to assurance engagements and applied Auditing Standards 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.

SMSF trustees' responsibilities

Each SMSF trustee is responsible for complying with the listed provisions and for the identification of risks that threaten compliance with the listed provisions, controls which will mitigate those risks and monitoring ongoing compliance.

Approved SMSF auditor’s responsibilities

My responsibility is to express an opinion on the trustees’ compliance with the listed provisions for the year ended 30 June 2020. ASAE 3100 Compliance Engagements requires that I plan and perform my procedures to obtain reasonable assurance about whether the trustee(s) has / have complied in all material respects, with the listed provisions for the year ended 30 June 2020.

An assurance engagement to report on the trustees’ compliance with the listed provisions 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 listed provisions for the year ended 30 June 2020.

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 for the year ended 30 June 2020, does not provide assurance on whether compliance with the listed provisions will continue in the future.

SMSF Auditor: A.W. Boys


SMSF Auditor’s signature

SMSF Auditor’s signature
Date: 14 December 2020



The Trustees
MK Day Superannuation Fund
C/- PO Box 1798,
Newcastle NSW 2300

A.W. Boys
Box 3376
Rundle Mall 5000
14 December 2020

Dear Trustees,

I have completed the audit of the MK Day Superannuation Fund for the financial year ending 30 June 2020. The Trustees have complied in all material respects with the *Superannuation Industry (Supervision) Act 1993* and Regulations, **except for section 65. During the course of the audit process, it was noted that the trustees breached section 65 of the Act. Whilst it is pleasing to note that the breach has been fully rectified, breaches of this nature are required to be reported to the Regulator pursuant to section 129 of the SIS Act. Further, the trustees are obliged to obtain a valuation or market appraisal of the real property asset 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 administer and enforce the lease agreement in accordance with section 109 of the SIS Act, whereby full recovery of the outgoings paid by the Fund are required to be recovered from the tenant to reimburse the Fund. Also, the trustees are requested to minute all nonstandard significant events and transactions in the AGM minutes of the Fund.**

The Trustees are 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



SMSF Auditor's signature

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





Auditor/actuary contravention report

Use this form to report contraventions of the *Superannuation Industry (Supervision) Act 1993* made by trustees of self managed super funds (SMSFs). You can report contraventions that may have occurred, may be occurring or may occur in the future.

- Leave boxes blank if not applicable (do not use N/A or NIL).
- Do not use symbols such as +, -, /, \$.

How to complete this report

- Refer to *Completing the Auditor/actuary contravention report* (NAT 11299).
 - Print clearly in BLOCK LETTERS using a black pen only.
 - Print one character in each box.
- S M I T # S T
- Place in ALL applicable boxes.

! Report separate events on separate pages. Ensure the report you send is complete and **original**. We do not accept photocopied, faxed or computer printed reports.

If your report contains errors or is incomplete, we may not accept it and we may ask you to complete and submit a new one.



Section A: Report information

1 This report applies to the financial year ending 30 June Year

2 This report is: New OR Revised

> Refer to the instructions *Completing the auditor/actuary contravention report* for when and how to revise a report.

Section B: Fund information

3 Name of self managed superannuation fund (SMSF)

M K DAY SMSF

4 Australian business number (ABN) and/or tax file number (TFN)

ABN 45 309 489 962 TFN

5 What was the value of the fund's total assets at the end of the year of audit? \$

Section C: Audit firm information

6 Auditing firm details

Name
SUPER AUDITS

Firm or sole practitioner's ABN

Section D: Auditor information

7 Auditor's details

Auditor's name

Title: Mr Mrs Miss Ms Other

Family name
BOYS

First given name
ANTHONY

Other given name
WILLIAM

Phone number

Mobile phone number
0410712708

Auditor's postal address

Box

Suburb/town/locality
RUNDLE MALL

State/territory
SA

Postcode
5000

Section E: Contravention/s

EVENT ONE

! An event is something that may lead, or has led, to one or more contraventions.

8 Did the event commence before the audit period? Yes No

9 Start date of event / /

10 Describe the event, including any mitigating factors.

The trustees withdrew money from the bank account, creating a technical breach. Money repaid a full once it was discovered.

11 Have all the contraventions been fully rectified or do the trustees have a plan to fully rectify all of them? Yes No

12 What is the estimated completion date or, if fully rectified, when was this completed? / /

13 Describe any steps taken to rectify the contraventions or any planned steps to rectify the contraventions.

The trustees appear to have made a genuine error and received full repayment.

14 What sections or regulations have been, or may be, contravened?

[eg S52(2)(d)
R4.09]

S65

15 What is the maximum value of the contravention?

\$ 4,755

16 Has the contravention been fully rectified?

Yes No

17 What is the outstanding value to be rectified (last known)?

\$ 0

\$

Yes No

\$

\$

Yes No

\$

\$

Yes No

\$

\$

Yes No

\$

\$

Yes No

\$

\$

Yes No

\$

\$

Yes No

\$

Section F: Financial position

Section 130

18 While performing your duties, did you form the opinion that the SMSF's financial position is or may become unsatisfactory?

No

Yes On what information did you base your opinion?

Section G: Other regulatory information

Section 130A

! If you complete this part of the form you are consenting under paragraph 14ZZW(2)(e) of the *Taxation Administration Act 1953* for the purposes of the Whistleblower legislation, to the Commissioner disclosing your identity (if required) when using this information in administering any taxation laws. If you would like to keep your identity confidential, you can make a voluntary whistleblower disclosure at ato.gov.au

19 Do you want to provide any additional information about the fund or trustee/s that will help us perform our functions under the SISA or regulations?

No

Yes Provide details

Section H: Auditor/actuary declaration

Privacy statement

Taxation law authorises the ATO to collect information including personal information and to disclose it to other government agencies. For more information about your privacy go to ato.gov.au/privacy

Penalties

Penalties may be imposed for giving false or misleading information.

I declare that this report has been prepared in accordance with information supplied by the trustee/s and I advise that the trustee/s has been notified of the matters reported in sections E and F of this report.

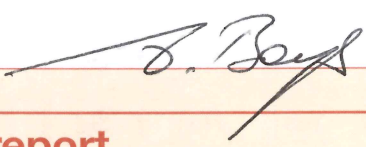
! The ATO does not consider the disclosure of information in Sections E and F of the form to constitute a qualifying disclosure for the purposes of the whistleblower provisions under Part IVD of the *Taxation Administration Act 1953*.

Professional association code

Membership number

SMSF auditor number

Auditor/actuary signature



Date

Day: / Month: / Year:

Lodging your report

Keep a copy of your completed report for your records and return the original to:

Australian Taxation Office
PO Box 3333
PENRITH NSW 2740

MK Day Superannuation Fund
(ABN: 45 309 489 962)

Consolidated Member Benefit Totals

Period	Member Account Details
1 July 2019 - 30 June 2020	Residential Address: Not Supplied
Member	Number: 1
Mr Matthew Simon Day	Date of Birth: 16 April 1978 Date Joined Fund: 9 August 2017 Eligible Service Date: 14 November 1994 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

Withdrawal Benefit as at 1 Jul 2019	
Accumulation	227,397.87
Total as at 1 Jul 2019	<u><u>227,397.87</u></u>

Withdrawal Benefit as at 30 Jun 2020	
Accumulation	239,411.06
Total as at 30 Jun 2020	<u><u>239,411.06</u></u>

Your Tax Components

Tax Free	67,959.13
Taxable - Taxed	171,451.93
Taxable - Untaxed	-

Your Preservation Components

Preserved	239,411.06
Restricted Non Preserved	-
Unrestricted Non Preserved	-

Your Insurance Benefits

	Balance	Insurance	Total Benefit
On Death	239,411.06	1,443,750.00	1,683,161.06
On TPD	239,411.06	1,443,750.00	1,683,161.06
Salary Cont		-	

Your Beneficiaries

No beneficiary details have been recorded

For Enquiries:

email kate@daysbuildingco.com.au
mail MK Day Superannuation Fund, 5-7 Channel Road, Mayfield West NSW 2304

MK Day Superannuation Fund
(ABN: 45 309 489 962)

Member Benefit Statement

Period	Member Account Details
1 July 2019 - 30 June 2020	Residential Address: Not Supplied
Member	Number: 1
Mr Matthew Simon Day	Date of Birth: 16 April 1978
Accumulation Account	Date Joined Fund: 9 August 2017
Accumulation	Eligible Service Date: 14 November 1994
	Tax File Number Held: Yes
	Account Start Date: 9 August 2017

Your Account Summary

Withdrawal Benefit as at 1 Jul 2019	227,397.87
<i><u>Increases to your account:</u></i>	
Employer Contributions	6,577.19
Share Of Net Fund Income	8,771.98
Tax Effect Of Direct Member Expenses	182.39
<u>Total Increases</u>	15,531.56
<i><u>Decreases to your account:</u></i>	
Contributions Tax	986.58
Member Insurance Premiums	1,215.94
Tax on Net Fund Income	1,315.85
<u>Total Decreases</u>	3,518.37
Withdrawal Benefit as at 30 Jun 2020	239,411.06

Your Tax Components

Tax Free	28.3860 %	67,959.13
Taxable - Taxed		171,451.93
Taxable - Untaxed		-

Your Preservation Components

Preserved	239,411.06
Restricted Non Preserved	-
Unrestricted Non Preserved	-

Your Insurance Benefits

	Balance	Insurance	Total Benefit
On Death	239,411.06	1,443,750.00	1,683,161.06
On TPD	239,411.06	1,443,750.00	1,683,161.06
Salary Cont		-	

Your Beneficiaries

No beneficiary details have been recorded

For Enquiries:

email kate@daysbuildingco.com.au
mail MK Day Superannuation Fund, 5-7 Channel Road, Mayfield West NSW 2304

Trustee

The Trustee of the Fund is as follows:

MK Day Pty Ltd

The directors of the Trustee company are:

Matthew Day and
Kate Day

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



.....
Matthew Day
Director - MK Day Pty Ltd



.....
Kate Day
Director - MK Day Pty Ltd

Statement Date: 30 June 2020

For Enquiries:

email kate@daysbuildingco.com.au
mail MK Day Superannuation Fund, 5-7 Channel Road, Mayfield West NSW 2304

MK Day Superannuation Fund
(ABN: 45 309 489 962)

Consolidated Member Benefit Totals

Period	Member Account Details
1 July 2019 - 30 June 2020	Residential Address: Not Supplied
Member	Number: 2
Mrs Kate Elizabeth Day	Date of Birth: 24 April 1979 Date Joined Fund: 9 August 2017 Eligible Service Date: 9 August 2017
	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

Withdrawal Benefit as at 1 Jul 2019	
Accumulation	124,337.90
Total as at 1 Jul 2019	124,337.90
Withdrawal Benefit as at 30 Jun 2020	
Accumulation	133,198.63
Total as at 30 Jun 2020	133,198.63

Your Tax Components

Tax Free	1,002.74
Taxable - Taxed	132,195.89
Taxable - Untaxed	-

Your Preservation Components

Preserved	132,538.09
Restricted Non Preserved	-
Unrestricted Non Preserved	660.54

Your Insurance Benefits

	Balance	Insurance	Total Benefit
On Death	133,198.63	1,443,750.00	1,576,948.63
On TPD	133,198.63	1,443,750.00	1,576,948.63
Salary Cont		-	

Your Beneficiaries

No beneficiary details have been recorded

For Enquiries:

email kate@daysbuildingco.com.au
mail MK Day Superannuation Fund, 5-7 Channel Road, Mayfield West NSW 2304

MK Day Superannuation Fund

(ABN: 45 309 489 962)

Member Benefit Statement

Period	Member Account Details
1 July 2019 - 30 June 2020	Residential Address: Not Supplied
Member Number: 2	Date of Birth: 24 April 1979
Mrs Kate Elizabeth Day	Date Joined Fund: 9 August 2017
Accumulation Account	Eligible Service Date: 9 August 2017
Accumulation	Tax File Number Held: Yes
	Account Start Date: 9 August 2017

Your Account Summary

Withdrawal Benefit as at 1 Jul 2019	124,337.90
<i>Increases to your account:</i>	
Employer Contributions	6,577.19
Share Of Net Fund Income	4,835.65
Tax Effect Of Direct Member Expenses	148.27
Total Increases	11,561.11
<i>Decreases to your account:</i>	
Contributions Tax	986.58
Member Insurance Premiums	988.45
Tax on Net Fund Income	725.35
Total Decreases	2,700.38
Withdrawal Benefit as at 30 Jun 2020	133,198.63

Your Tax Components

Tax Free	0.7528 %	1,002.74
Taxable - Taxed		132,195.89
Taxable - Untaxed		-

Your Preservation Components

Preserved	132,538.09
Restricted Non Preserved	-
Unrestricted Non Preserved	660.54

Your Insurance Benefits

	Balance	Insurance	Total Benefit
On Death	133,198.63	1,443,750.00	1,576,948.63
On TPD	133,198.63	1,443,750.00	1,576,948.63
Salary Cont		-	

Your Beneficiaries

No beneficiary details have been recorded

For Enquiries:

email kate@daysbuildingco.com.au

mail MK Day Superannuation Fund, 5-7 Channel Road, Mayfield West NSW 2304

Trustee

The Trustee of the Fund is as follows:

MK Day Pty Ltd

The directors of the Trustee company are:

Matthew Day and
Kate Day

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



.....
Matthew Day
Director - MK Day Pty Ltd



.....
Kate Day
Director - MK Day Pty Ltd

Statement Date: 30 June 2020

For Enquiries:

email kate@daysbuildingco.com.au
mail MK Day Superannuation Fund, 5-7 Channel Road, Mayfield West NSW 2304

MK Day Superannuation Fund
Investment Summary as at 30 June 2020

Investment	Units	Average Cost Price	Market Price	Accounting Cost	Market Value	Unrealised Accounting Gain/(Loss)	Accounting Gain/(Loss) (%)	Portfolio Weight (%)
<u>Bank</u>								
Direct investment Account				43,434.77	43,434.77			11.51%
Matt & Kate Day Loan				(31,416.03)	(31,416.03)			(8.33)%
				12,018.74	12,018.74			3.18%
<u>Property Direct Market</u>								
Unit 14/5-7 Channel Road Mayfield West	1.00000	365,346.1900	365,346.1900	365,346.19	365,346.19	0.00	0.00%	96.82%
				365,346.19	365,346.19	0.00	0.00%	96.82%
				377,364.93	377,364.93	0.00	0.00%	100.00%

The accounting cost is the original cost base adjusted by any subsequent capital call/improvement or capital return transactions. In many cases, it is not the same as the adjusted or reduced cost base, or the reset cost base resulting from the CGT relief. To view the tax cost base and unrealised gain/(loss) for tax purposes refer to the Unrealised Capital Gains Report or change the report parameter to tax cost base.

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

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) 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	Year of return
*****	MK Day Superannuation Fund	2020

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 Feb 13, 2021

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	Account name
25300299	MK Day Pty Ltd ATF MK Day Superannuation Fund

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

Signature of trustee or director



Date Feb 13, 2021

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	Agent's phone	Agent's reference	Client's reference
MR Dene Kilpatrick	02 49267100	25300299	DAY00206

Self-managed superannuation fund annual return 2020

Who should complete this annual return?

Only self-managed superannuation funds (SMSFs) can complete this annual return. All other funds must complete the *Fund income tax return 2020* (NAT 71287).

- ! The *Self-managed superannuation fund annual return instructions 2020* (NAT 71606) (the instructions) can assist you to complete this annual return.
- The SMSF annual return cannot be used to notify us of a change in fund membership. You must update fund details via ABR.gov.au or complete the Change of details for superannuation entities form (NAT 3036).

To complete this annual return

- Print clearly, using a BLACK pen only.
- Use BLOCK LETTERS and print one character per box.

S M I T H S T

- Place in ALL applicable boxes.

- Postal address for annual returns:

Australian Taxation Office
GPO Box 9845
 [insert the name and postcode
 of your capital city]

Section A: Fund information

1 **Tax file number (TFN)**

- To assist processing, write the fund's TFN at the top of pages 3, 5, 7 and 9.

- ! The ATO is authorised by law to request your TFN. You are not obliged to quote your TFN but not quoting it could increase the chance of delay or error in processing your annual return. See the Privacy note in the Declaration.

2 **Name of self-managed superannuation fund (SMSF)**

MK Day Superannuation Fund

3 **Australian business number (ABN)** (if applicable)

4 **Current postal address**

PO Box 1798

Suburb/town	State/territory	Postcode
Newcastle	NSW	2300

5 **Annual return status**

Is this an amendment to the SMSF's 2020 return?

A No Yes

Is this the first required return for a newly registered SMSF?

B No Yes

Fund's tax file number (TFN) *****

6 SMSF auditor

Auditor's name

Title: MR

Family name

Boys

First given name

Tony

Other given names

SMSF Auditor Number

100014140

Auditor's phone number

04

10712708

Postal address

PO Box 3376

Suburb/town

Rundle Mall

State/territory

SA

Postcode

5000

Date audit was completed

A 14/12/2020

Was Part A of the audit report qualified?

B No Yes

Was Part B of the audit report qualified?

C No Yes

If Part B of the audit report was qualified, have the reported issues been rectified?

D No Yes **7 Electronic funds transfer (EFT)**

We need your self-managed super fund's financial institution details to pay any super payments and tax refunds owing to you.

A Fund's financial institution account details

This account is used for super contributions and rollovers. Do not provide a tax agent account here.

Fund BSB number 062815

Fund account number 10538365

Fund account name

MK Day Pty Ltd ATF MK Day Superannuation Fund

I would like my tax refunds made to this account. Go to C.**B Financial institution account details for tax refunds**

This account is used for tax refunds. You can provide a tax agent account here.

BSB number

Account number

Account name

C Electronic service address alias

Provide the electronic service address alias (ESA) issued by your SMSF messaging provider. (For example, SMSFdataESAAlias). See instructions for more information.

smsfdataflow

Fund's tax file number (TFN)

8 Status of SMSF Australian superannuation fund **A** No Yes Fund benefit structure **B** Code
 Does the fund trust deed allow acceptance of the Government's Super Co-contribution and Low Income Super Amounts? **C** No Yes

9 Was the fund wound up during the income year?

No Yes If yes, provide the date on which the fund was wound up Have all tax lodgment and payment obligations been met? No Yes

10 Exempt current pension income

Did the fund pay retirement phase superannuation income stream benefits to one or more members in the income year?

⊖ To claim a tax exemption for current pension income, you must pay at least the minimum benefit payment under the law. Record exempt current pension income at Label **A**.

No Go to Section B: Income.

Yes Exempt current pension income amount **A** \$.00

Which method did you use to calculate your exempt current pension income?

Segregated assets method **B**

Unsegregated assets method **C** Was an actuarial certificate obtained? **D** Yes

Did the fund have any other income that was assessable?

E Yes Go to Section B: Income.

No Choosing 'No' means that you do not have any assessable income, including no-TFN quoted contributions. Go to Section C: Deductions and non-deductible expenses. (Do **not** complete Section B: Income.)

⊖ If you are entitled to claim any tax offsets, you can list these at Section D: Income tax calculation statement.

Fund's tax file number (TFN)

Section B: Income

Do not complete this section if all superannuation interests in the SMSF were supporting superannuation income streams in the retirement phase for the **entire year**, there was **no** other income that was assessable, and you **have not** realised a deferred notional gain. If you are entitled to claim any tax offsets, you can record these at Section D: Income tax calculation statement.

11 Income

Did you have a capital gains tax (CGT) event during the year? **G** No Yes

If the total capital loss or total capital gain is greater than \$10,000 or you elected to use the transitional CGT relief in 2017 and the deferred notional gain has been realised, complete and attach a *Capital gains tax (CGT) schedule 2020*.

Have you applied an exemption or rollover? **M** No Yes Code

Net capital gain **A** \$ -00

Gross rent and other leasing and hiring income **B** \$ -00

Gross interest **C** \$ -00

Forestry managed investment scheme income **X** \$ -00

Gross foreign income **D1** \$ -00 Net foreign income **D** \$ -00 Loss

Australian franking credits from a New Zealand company **E** \$ -00

Transfers from foreign funds **F** \$ -00 Number

Gross payments where ABN not quoted **H** \$ -00

Calculation of assessable contributions

Assessable employer contributions **R1** \$ -00

plus Assessable personal contributions **R2** \$ -00

plus **R3** \$ -00 **No-TFN-quoted contributions (an amount must be included even if it is zero)

less Transfer of liability to life insurance company or PST **R6** \$ -00

Gross distribution from partnerships **I** \$ -00

*Unfranked dividend amount **J** \$ -00

*Franked dividend amount **K** \$ -00

*Dividend franking credit **L** \$ -00

*Gross trust distributions **M** \$ -00

Assessable contributions (R1 plus R2 plus R3 less R6) **R** \$ -00

Calculation of non-arm's length income

*Net non-arm's length private company dividends **U1** \$ -00

plus *Net non-arm's length trust distributions **U2** \$ -00

plus *Net other non-arm's length income **U3** \$ -00

*Other income **S** \$ -00

*Assessable income due to changed tax status of fund **T** \$ -00

Net non-arm's length income (subject to 45% tax rate) (U1 plus U2 plus U3) **U** \$ -00

#This is a mandatory label.
*If an amount is entered at this label, check the instructions to ensure the correct tax treatment has been applied.

GROSS INCOME (Sum of labels A to U) **W** \$ -00 Loss

Exempt current pension income **Y** \$ -00

TOTAL ASSESSABLE INCOME (W less Y) **V** \$ -00 Loss

Fund's tax file number (TFN)

Section C: Deductions and non-deductible expenses

12 Deductions and non-deductible expenses

Under 'Deductions' list all expenses and allowances you are entitled to claim a deduction for. Under 'Non-deductible expenses', list all other expenses or normally allowable deductions that you cannot claim as a deduction (for example, all expenses related to exempt current pension income should be recorded in the 'Non-deductible expenses' column).

DEDUCTIONS		NON-DEDUCTIBLE EXPENSES	
Interest expenses within Australia	A1 \$ <input type="text" value="4321"/> -00	A2 \$ <input type="text" value="0"/> -00	
Interest expenses overseas	B1 \$ <input type="text" value="0"/> -00	B2 \$ <input type="text" value="0"/> -00	
Capital works expenditure	D1 \$ <input type="text" value="0"/> -00	D2 \$ <input type="text" value="0"/> -00	
Decline in value of depreciating assets	E1 \$ <input type="text" value="0"/> -00	E2 \$ <input type="text" value="0"/> -00	
Insurance premiums – members	F1 \$ <input type="text" value="2204"/> -00	F2 \$ <input type="text" value="0"/> -00	
SMSF auditor fee	H1 \$ <input type="text" value="330"/> -00	H2 \$ <input type="text" value="0"/> -00	
Investment expenses	I1 \$ <input type="text" value="4590"/> -00	I2 \$ <input type="text" value="0"/> -00	
Management and administration expenses	J1 \$ <input type="text" value="3040"/> -00	J2 \$ <input type="text" value="0"/> -00	
Forestry managed investment scheme expense	U1 \$ <input type="text" value="0"/> -00	U2 \$ <input type="text" value="0"/> -00	
Other amounts	L1 \$ <input type="text" value="0"/> -00 <input type="text" value=""/>	L2 \$ <input type="text" value="0"/> -00 <input type="text" value=""/>	
Tax losses deducted	M1 \$ <input type="text" value="0"/> -00		

TOTAL DEDUCTIONS
N \$ -00
 (Total **A1** to **M1**)

TOTAL NON-DEDUCTIBLE EXPENSES
Y \$ -00
 (Total **A2** to **L2**)

#TAXABLE INCOME OR LOSS -00 Loss
O \$ -00
 (TOTAL ASSESSABLE INCOME less TOTAL DEDUCTIONS)

TOTAL SMSF EXPENSES
Z \$ -00
 (N plus Y)

#This is a mandatory label.

Fund's tax file number (TFN)

Section D: Income tax calculation statement

#Important:

Section B label **R3**, Section C label **O** and Section D labels **A, T1, J, T5** and **I** are mandatory. If you leave these labels blank, you will have specified a zero amount.

13 Calculation statement

Please refer to the *Self-managed superannuation fund annual return instructions 2020* on how to complete the calculation statement.

#Taxable income	A \$	<input type="text" value="24558"/>	-00
		<i>(an amount must be included even if it is zero)</i>	
#Tax on taxable income	T1 \$	<input type="text" value="3683.70"/>	
		<i>(an amount must be included even if it is zero)</i>	
#Tax on no-TFN-quoted contributions	J \$	<input type="text" value="0"/>	
		<i>(an amount must be included even if it is zero)</i>	

Gross tax **B \$**
(T1 plus J)

Foreign income tax offset	C1 \$	<input type="text" value="0"/>	
Rebates and tax offsets	C2 \$	<input type="text"/>	
Non-refundable non-carry forward tax offsets	C \$	<input type="text" value="0"/>	
		<i>(C1 plus C2)</i>	

SUBTOTAL 1
T2 \$
(B less C – cannot be less than zero)

Early stage venture capital limited partnership tax offset	D1 \$	<input type="text" value="0"/>	
Early stage venture capital limited partnership tax offset carried forward from previous year	D2 \$	<input type="text" value="0"/>	
Early stage investor tax offset	D3 \$	<input type="text" value="0"/>	
Early stage investor tax offset carried forward from previous year	D4 \$	<input type="text" value="0"/>	
Non-refundable carry forward tax offsets	D \$	<input type="text" value="0"/>	
		<i>(D1 plus D2 plus D3 plus D4)</i>	

SUBTOTAL 2
T3 \$
(T2 less D – cannot be less than zero)

Complying fund's franking credits tax offset	E1 \$	<input type="text"/>	
No-TFN tax offset	E2 \$	<input type="text"/>	
National rental affordability scheme tax offset	E3 \$	<input type="text"/>	
Exploration credit tax offset	E4 \$	<input type="text"/>	
Refundable tax offsets	E \$	<input type="text" value="0"/>	
		<i>(E1 plus E2 plus E3 plus E4)</i>	

#TAX PAYABLE **T5 \$**
(T3 less E – cannot be less than zero)

Section 102AAM interest charge
G \$

Fund's tax file number (TFN)

Credit for interest on early payments – amount of interest	H1 \$ <input type="text"/>
Credit for tax withheld – foreign resident withholding (excluding capital gains)	H2 \$ <input type="text"/>
Credit for tax withheld – where ABN or TFN not quoted (non-individual)	H3 \$ <input type="text" value="0"/>
Credit for TFN amounts withheld from payments from closely held trusts	H5 \$ <input type="text"/>
Credit for interest on no-TFN tax offset	H6 \$ <input type="text"/>
Credit for foreign resident capital gains withholding amounts	H8 \$ <input type="text"/>
Eligible credits	H \$ <input type="text" value="0"/>
	<i>(H1 plus H2 plus H3 plus H5 plus H6 plus H8)</i>

#Tax offset refunds (Remainder of refundable tax offsets)	I \$ <input type="text" value="0"/>
	<i>(unused amount from label E – an amount must be included even if it is zero)</i>

PAYG instalments raised

K \$

Supervisory levy

L \$

Supervisory levy adjustment for wound up funds

M \$

Supervisory levy adjustment for new funds

N \$

AMOUNT DUE OR REFUNDABLE A positive amount at S is what you owe, while a negative amount is refundable to you.	S \$ <input type="text" value="-6777.30"/>
	<i>(T5 plus G less H less I less K plus L less M plus N)</i>

#This is a mandatory label.

Section E: Losses

14 Losses

! If total loss is greater than \$100,000, complete and attach a *Losses schedule 2020*.

Tax losses carried forward to later income years **U \$** -00

Net capital losses carried forward to later income years **V \$** -00

Fund's tax file number (TFN) *****

Section F: Member information

MEMBER 1

Title:

Family name

First given name

Other given names

Member's TFN

See the Privacy note in the Declaration.

Day Month Year

Date of birth

Contributions

OPENING ACCOUNT BALANCE \$

! Refer to instructions for completing these labels.

Employer contributions

A \$

ABN of principal employer

A1

Personal contributions

B \$

CGT small business retirement exemption

C \$

CGT small business 15-year exemption amount

D \$

Personal injury election

E \$

Spouse and child contributions

F \$

Other third party contributions

G \$

Proceeds from primary residence disposal

H \$

Receipt date

Day Month Year

H1

Assessable foreign superannuation fund amount

I \$

Non-assessable foreign superannuation fund amount

J \$

Transfer from reserve: assessable amount

K \$

Transfer from reserve: non-assessable amount

L \$

Contributions from non-complying funds and previously non-complying funds

T \$

Any other contributions (including Super Co-contributions and Low Income Super Amounts)

M \$

TOTAL CONTRIBUTIONS N \$

(Sum of labels **A** to **M**)

Other transactions

Allocated earnings or losses

O \$

Loss

Inward rollovers and transfers

P \$

Outward rollovers and transfers

Q \$

Lump Sum payments

R1 \$

Income stream payments

R2 \$

Code

Code

Accumulation phase account balance

S1 \$

Retirement phase account balance - Non CDBIS

S2 \$

Retirement phase account balance - CDBIS

S3 \$

TRIS Count

CLOSING ACCOUNT BALANCE S \$

(**S1** plus **S2** plus **S3**)

Accumulation phase value **X1** \$

Retirement phase value **X2** \$

Outstanding limited recourse borrowing arrangement amount **Y** \$

Fund's tax file number (TFN)

MEMBER 2

Title:

Family name

First given name

Other given names

Member's TFN

See the Privacy note in the Declaration.

Day Month Year

Date of birth

Contributions

OPENING ACCOUNT BALANCE \$

! Refer to instructions for completing these labels.

Employer contributions

A \$

ABN of principal employer

A1

Personal contributions

B \$

CGT small business retirement exemption

C \$

CGT small business 15-year exemption amount

D \$

Personal injury election

E \$

Spouse and child contributions

F \$

Other third party contributions

G \$

Proceeds from primary residence disposal

H \$

Receipt date

Day Month Year

H1

Assessable foreign superannuation fund amount

I \$

Non-assessable foreign superannuation fund amount

J \$

Transfer from reserve: assessable amount

K \$

Transfer from reserve: non-assessable amount

L \$

Contributions from non-complying funds and previously non-complying funds

T \$

Any other contributions (including Super Co-contributions and Low Income Super Amounts)

M \$

TOTAL CONTRIBUTIONS N \$

(Sum of labels **A** to **M**)

Other transactions

Allocated earnings or losses

O \$

Loss

Inward rollovers and transfers

P \$

Outward rollovers and transfers

Q \$

Lump Sum payments

R1 \$

Code

Income stream payments

R2 \$

Code

Accumulation phase account balance

S1 \$

Retirement phase account balance - Non CDBIS

S2 \$

Retirement phase account balance - CDBIS

S3 \$

TRIS Count

CLOSING ACCOUNT BALANCE S \$

(**S1** plus **S2** plus **S3**)

Accumulation phase value **X1** \$

Retirement phase value **X2** \$

Outstanding limited recourse borrowing arrangement amount **Y** \$

Fund's tax file number (TFN)

Section H: Assets and liabilities

15 ASSETS

15a Australian managed investments

Listed trusts **A** \$ -00
 Unlisted trusts **B** \$ -00
 Insurance policy **C** \$ -00
 Other managed investments **D** \$ -00

15b Australian direct investments

Limited recourse borrowing arrangements
 Australian residential real property
J1 \$ -00
 Australian non-residential real property
J2 \$ -00
 Overseas real property
J3 \$ -00
 Australian shares
J4 \$ -00
 Overseas shares
J5 \$ -00
 Other
J6 \$ -00
 Property count
J7

Cash and term deposits **E** \$ -00
 Debt securities **F** \$ -00
 Loans **G** \$ -00
 Listed shares **H** \$ -00
 Unlisted shares **I** \$ -00
Limited recourse borrowing arrangements **J** \$ -00
 Non-residential real property **K** \$ -00
 Residential real property **L** \$ -00
 Collectables and personal use assets **M** \$ -00
 Other assets **O** \$ -00

15c Other investments

Crypto-Currency **N** \$ -00

15d Overseas direct investments

Overseas shares **P** \$ -00
 Overseas non-residential real property **Q** \$ -00
 Overseas residential real property **R** \$ -00
 Overseas managed investments **S** \$ -00
 Other overseas assets **T** \$ -00

TOTAL AUSTRALIAN AND OVERSEAS ASSETS **U** \$ -00
 (Sum of labels **A** to **T**)

15e In-house assets

Did the fund have a loan to, lease to or investment in, related parties (known as in-house assets) at the end of the income year?
A No Yes \$ -00

Fund's tax file number (TFN)

15f Limited recourse borrowing arrangements

If the fund had an LRBA were the LRBA borrowings from a licensed financial institution? **A** No Yes

Did the members or related parties of the fund use personal guarantees or other security for the LRBA? **B** No Yes

16 LIABILITIES

Borrowings for limited recourse borrowing arrangements	V1 \$ <input type="text" value="31416"/> -00	
Permissible temporary borrowings	V2 \$ <input type="text"/> -00	
Other borrowings	V3 \$ <input type="text"/> -00	
	Borrowings	V \$ <input type="text" value="31416"/> -00
Total member closing account balances (total of all CLOSING ACCOUNT BALANCES from Sections F and G)		W \$ <input type="text" value="372609"/> -00
	Reserve accounts	X \$ <input type="text" value="0"/> -00
	Other liabilities	Y \$ <input type="text" value="4755"/> -00
TOTAL LIABILITIES		Z \$ <input type="text" value="408780"/> -00

Section I: Taxation of financial arrangements

17 Taxation of financial arrangements (TOFA)

Total TOFA gains **H** \$ -00

Total TOFA losses **I** \$ -00

Section J: Other information

Family trust election status

If the trust or fund has made, or is making, a family trust election, write the four-digit **income year specified** of the election (for example, for the 2019–20 income year, write **2020**). **A**

If revoking or varying a family trust election, print **R** for revoke or print **V** for variation, and complete and attach the *Family trust election, revocation or variation 2020*. **B**

Interposed entity election status

If the trust or fund has an existing election, write the earliest income year specified. If the trust or fund is making one or more elections this year, write the earliest income year being specified and complete an *Interposed entity election or revocation 2020* for each election. **C**

If revoking an interposed entity election, print **R**, and complete and attach the *Interposed entity election or revocation 2020*. **D**

Section K: **Declarations**

 Penalties may be imposed for false or misleading information in addition to penalties relating to any tax shortfalls.

Important

Before making this declaration check to ensure that all income has been disclosed and the annual return, all attached schedules and any additional documents are true and correct in every detail. If you leave labels blank, you will have specified a zero amount or the label was not applicable to you. If you are in doubt about any aspect of the annual return, place all the facts before the ATO.

Privacy

The ATO is authorised by the *Taxation Administration Act 1953* to request the provision of tax file numbers (TFNs). We will use the TFN to identify the entity in our records. It is not an offence not to provide the TFN. However if you do not provide the TFN, the processing of this form may be delayed.

Taxation law authorises the ATO to collect information and disclose it to other government agencies. For information about your privacy go to ato.gov.au/privacy

TRUSTEE'S OR DIRECTOR'S DECLARATION:

I declare that, the current trustees and directors have authorised this annual return and it is documented as such in the SMSF's records. I have received a copy of the audit report and are aware of any matters raised therein. The information on this annual return, including any attached schedules and additional documentation is true and correct.

Authorised trustee's, director's or public officer's signature

Date / /

Preferred trustee or director contact details:

Title:

Family name

First given name

Other given names

Phone number

Email address

Non-individual trustee name (if applicable)

ABN of non-individual trustee

Time taken to prepare and complete this annual return Hrs

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

TAX AGENT'S DECLARATION:

I declare that the *Self-managed superannuation fund annual return 2020* has been prepared in accordance with information provided by the trustees, that the trustees have given me a declaration stating that the information provided to me is true and correct, and that the trustees have authorised me to lodge this annual return.

Tax agent's signature

Date / /

Tax agent's contact details

Title:

Family name

First given name

Other given names

Tax agent's practice

Tax agent's phone number

Reference number

Tax agent number

**RESOLUTION OF MK DAY PTY LTD
AS TRUSTEE OF MK DAY SUPERANNUATION FUND**

Investment Strategy A proposed Investment Strategy was tabled.
It was resolved to adopt the tabled Investment Strategy.

Signed as a true and correct record

Dated: Feb 13, 2021



Matthew Day
Director



Kate Day
Director

INVESTMENT STRATEGY
MK DAY SUPERANNUATION FUND (THE "FUND")

The attached appendix sets out a range of matters considered by the trustee in formulating the Fund's investment strategy. The strategy itself has been summarized below.

Background

At the time of writing this investment strategy, the members of the Fund were as follows:

Member	Gender	Date of Birth
Matthew Day	Male	16/04/1978
Kate Day	Female	24/04/1979

New members may be added over time and existing members may leave. This will not necessarily result in a change to the investment strategy.

Investment Objective

The trustee will seek to achieve investment returns that exceed inflation by at least 3% pa before taxes and expenses over rolling 3 year periods.

Target Asset Allocation

The Fund's target asset allocation ranges to achieve its investment objective are:

Asset Class	Range
Cash	0% - 20%
Direct property	20% - 98%
Other	0% - 10%

("Other" includes :)

The Fund will maintain borrowings from time to time to make some of its investments.

Unless resolved otherwise, the Fund does not offer member investment choice and does not offer separate pools of investments for members.

Insurance Strategy

The Fund will hold insurance policies for one or more members:

- to allow the Fund to repay limited recourse loans in the event of the death, disablement or terminal illness of one or more members
- to supplement the benefits payable to members in the event of their death, disablement or terminal illness
- to provide liquidity to meet death benefit payments

The types of cover will be limited to cover allowed by the superannuation law and unless resolved otherwise, premiums will be deducted from members' account(s) within the Fund.

Dated: Feb 13, 2021



Matthew Day
Director



Kate Day
Director

APPENDIX

Background

The Superannuation Industry (Supervision) Act & Regulations (the “superannuation law”) requires self managed super fund (SMSF) trustees to formulate, regularly review and give effect to an investment strategy for their fund.

In preparing that strategy, trustees are required to take into account the whole of the circumstances of the fund and consider six key factors:

- the risk involved in making, holding and realising the fund’s investments, taking into account the trustee’s objectives and expected cash flow requirements,
- the likely return from the fund’s investments taking into account the trustee’s objectives and expected cash flow requirements,
- the composition of the investments as a whole, including the extent to which they are diversified or involve the fund being exposed to risks from inadequate diversification,
- the liquidity of the investments taking into account the fund’s expected cash flow requirements,
- the ability of the fund to meet its existing and prospective liabilities, and
- whether the trustees should hold insurance that provides cover for one or more members of the fund.

The superannuation law allows SMSF trustees to be directed by members to purchase specific investments on behalf of members (referred to as “member investment choice” in this document) provided the investments purchased are in accordance with the fund’s investment strategy. SMSF trustees are also permitted to offer separate pools of investments for members based on factors such as their age, risk profile or pension status.

In addition to the investment strategy requirement, the superannuation law also has rules which:

- dictate how trustees must approach investing overall,
- limit the parties from whom funds may acquire assets,
- place limits on funds holding particular assets that might be considered risky or difficult to police (either because of the nature of the asset or how it is controlled),
- control how assets are held and managed while owned by an SMSF, and
- dictate how and when funds can lend or borrow money.

An SMSF’s governing rules may also impose restrictions on a fund’s investments.

It is the Trustee’s responsibility to formulate an investment strategy for the Fund. The Trustee is also required to implement the strategy, taking into account the requirements of

both the superannuation law and the Fund's governing rules, and then regularly review it. This document sets out the steps taken by the Trustee to meet these responsibilities. These steps are:

1. Review the Fund's circumstances
2. Develop an investment objective for the Fund
3. Decide on a strategy for how the Fund will invest to achieve that investment objective
4. Develop an insurance strategy for the Fund
5. Document those decisions in an investment & insurance strategy (this document)
6. Implement the strategy
7. Regularly review the strategy

Step 1 – Review of Fund Circumstances

The Trustee has reviewed and considered the whole of the Fund's circumstances including:

- in respect of the Fund members: their age, their attitude to risk, the size of their balances (including amounts to yet be transferred from other funds), the likely amount and frequency of contributions, the likely amount and timing of any benefit payments such as pensions, and their willingness (and that of their beneficiaries) to receive lump sum benefits in specie rather than in cash.
- in respect of the Fund's assets and liabilities: their current or anticipated value, their composition by asset class, and the extent to which cash flow or asset sales will support the payment of anticipated costs and benefits.
- any external factors which may impact the Fund: the current economic climate, its outlook and constraints imposed by superannuation and tax law.

Step 2 – Fund's Investment Objective

The next step is to decide upon the Fund's investment objective. In setting the investment objective, the Trustee considered the following issues:

Purpose of Fund

The purpose of the Fund is to provide superannuation benefits to members on their retirement, or for their dependants, in the case of members who die before their retirement (and any other ancillary benefits allowed by the superannuation law) at a level which meets the long-term expectations of the Fund members taking into account their risk profile.

Risk/Return

In reviewing the risk involved and the likely return from investments, the Trustee considered:

- The Fund's investment returns have a direct impact on members' benefits. This means the risks and the rewards associated with Fund investments are borne by the members.
- Often, investments which promise higher returns over the long term also present greater risk of losses over shorter periods.
- Investment returns are generally influenced by economic, environmental and financial factors which are unpredictable. This means investments in any form will entail a degree of risk impacting on that investment's future returns.

- Investments in any form may generate a negative return in any given period, although that risk can be minimised with higher exposure to defensive assets (eg cash, term deposits) rather than growth assets (eg equities, property).
- Investment risk can often be reduced through diversification.
- International investments are exposed to risk from currency movements.
- Gearing can result in additional risk. SMSFs can be exposed to gearing directly (via limited recourse borrowing arrangements) or indirectly (via trust or company structures).

Diversification

In reviewing the extent to which the Fund's investments will be diversified or will involve the Fund being exposed to risks from low levels of diversification, the Trustee considered:

- Diversification can be achieved in various ways, including:
 - investing in a range of different asset classes or investments within that class
 - investing in different industries, sectors or countries
 - gradually building up an exposure to any investment instead of making one large investment, and
 - using more than one investment manager.
- In some situations, the Fund's investments may lack diversification (eg by investing in a single asset or asset class) but this decision should only be made after considering the likely return from the investment and the risks of inadequate diversification.
- In taking into account the extent to which the Fund may be exposed to risk from inadequate diversification, the Trustee may choose to take into account the asset allocation of the members outside the Fund.

Liquidity/Liabilities

In reviewing the liquidity of the Fund and its expected cash flow requirements, the Trustee considered:

- In periods when the Fund is providing pensions to members, the Fund's assets will need to be sufficiently liquid to allow for payment of at least the required minimum annual pension amount.
- The Trustee may decide to pay lump sum benefits (including death benefits) in-specie rather than making a payment in cash (ie by transferring all or part of a Fund asset to the beneficiary).
- The Fund may only borrow in very limited circumstances. Where borrowings are to be undertaken, this decision should only be made after developing a plan for how the borrowing will be repaid and how the Fund's liquidity requirements will be met.

- If the Fund invests solely in assets which provide little or no income return (ie they are held predominately for capital growth), the Fund may be unable to meet its liabilities as and when required.

After consideration of the above factors, the Trustee has decided to adopt the investment objective set out earlier.

Step 3 – Strategy for how Fund will invest to achieve Investment Objective

The Trustee must develop a strategy for how the Fund will invest in a way which will achieve the investment objective established in step 2.

The Trustee's strategy will be to invest in a mix of different assets within the ranges of the target asset allocations set out earlier.

The Trustee may deviate from these ranges, on a short-term or long-term basis, if and when particular investment opportunities or market conditions suggest it would be prudent to do so.

Step 4 – Fund's Insurance Strategy

In reviewing whether the Fund should hold insurance cover for one or more members, the Trustee considered:

- The superannuation law allows funds to hold certain types of insurance cover in respect of fund members. The aim of such cover is generally to provide financial support to members (or their dependants) in the event of the member's death, injury or illness.
- The personal circumstances of individual members will be relevant in determining whether or not insurance cover is necessary, and whether it is appropriate to hold that cover via a superannuation fund. This will be influenced by factors such as the different tax treatment and cash flows to pay premiums.

After consideration of the above factors, the Trustee has decided to adopt the insurance strategy set out earlier.

Step 5 – Document the Strategy

To allow the Fund's auditor and the Australian Taxation Office to review the Trustee's compliance with the investment strategy requirements of the superannuation law, the Fund's investment strategy has been incorporated into this document.

Step 6 – Implement the Strategy

The Trustee is required to implement the investment strategy. That is, the Trustee must invest the Fund's assets in accordance with the strategy.

The Trustee may use various advisers and investment vehicles to implement its strategy. The choice of investment vehicles will be made at the discretion of the Trustee (subject to the requirements of the Fund's governing rules and the superannuation law). These investment vehicles may include managed funds, exchange traded funds, direct investments or any other investment vehicle the Trustee believes will assist it to meet its investment objective.

The Trustee will ensure all Fund money and assets are properly recorded in the name of the Trustee for the Fund and kept separate from any assets owned by the Trustee in any other capacity.

If the Trustee chooses to appoint an investment manager, they will do so in writing.

Unless resolved otherwise, the Trustee has no specific policy on labour standards or environmental, social or ethical issues when it comes to selecting, retaining or realising investments, although it may take these issues into consideration at its discretion.

Step 7 – Regularly Review

The Trustee will review this investment strategy regularly, including:

- annually, when the Fund's financial statements are completed, and
- when there are significant changes to the Fund's circumstances.

This review will assist the Trustee in determining whether any changes to the strategy are necessary to accommodate changes in the Fund's circumstances or the superannuation/tax law.









2020 EOY Year End Package

Final Audit Report

2021-02-13

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