

**YARRAM GROUP SMSF**

**FINANCIAL STATEMENTS**

**AND REPORTS**

**FOR THE PERIOD 1 JULY 2016 TO 30 JUNE 2017**

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Daniel Harrison  
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**YARRAM GROUP SMSF**  
**BALANCE SHEET AS AT 30 JUNE 2017**

	2017	2016
	\$	\$
<b>Investments</b>		
Real Estate Properties (Australian)	300,000	311,080
	300,000	311,080
<b>Other Assets</b>		
Cash at Bank	133,767	40,011
NAB Business Cheque Account #7325	366	14,100
Sundry Debtors	7,330	3,520
Deferred Tax Asset	1,108	-
	142,571	57,631
<b>Total Assets</b>	442,571	368,711
<b>Less:</b>		
<b>Liabilities</b>		
Income Tax Payable (Note 7)	3,745	34
Sundry Creditors	1,058	1,058
	4,803	1,092
<b>Net Assets Available to Pay Benefits</b>	437,768	367,619
<b>Represented by:</b>		
<b>Liability for Accrued Benefits (Notes 2, 3, 4)</b>		
Murray, John Robert	209,568	229,801
Murray, Lyn Gay	63,220	65,644
Murray, Ryan Robert	10,366	10,189
Murray, Lyn Gay	6,219	5,010
Murray, John Robert	81,272	56,975
Harvey, Kiara	67,123	-
	437,768	367,619

The accompanying notes form part of these financial statements

**YARRAM GROUP SMSF  
INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
<b>Income</b>		
Employer Contributions - Concessional	27,357	8,915
Interest Received	564	557
Member/Personal Contributions - Non Concessional (Undeducted)	-	43,806
Other Contributions - Non Taxable	362	-
Rent Received	24,930	22,880
Transfers In - Preserved/Taxable	66,545	-
Transfers In - Unrestricted Non Preserved/Tax Free	754	-
	120,512	76,158
<b>Expenses</b>		
Accountancy Fees	3,652	-
Administration Costs	47	-
ATO Supervisory Levy	-	388
Auditor's Remuneration	600	-
Bank Charges	120	120
Decrease in Market Value of Investments (Note 5)	11,080	-
Pensions Paid - Preserved - Tax Free	747	1,132
Pensions Paid - Unrestricted Non Preserved - Tax Free	5,016	6,459
Pensions Paid - Preserved - Taxable	2,553	3,868
Pensions Paid - Unrestricted Non Preserved - Taxable	18,284	23,541
Rental Property Expenses	4,602	2,411
	46,701	37,919
<b>Benefits Accrued as a Result of Operations before Income Tax</b>	73,811	38,239
<b>Income Tax (Note 7)</b>		
Income Tax Expense	3,661	1,657
Prior Years Under/Over Provision for Income Tax	-	9
	3,661	1,666
<b>Benefits Accrued as a Result of Operations</b>	70,150	36,573

The accompanying notes form part of these financial statements

**YARRAM GROUP SMSF  
DETAILED INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
<b>Income</b>		
Employer Contributions - Concessional		
Murray, John Robert	27,357	8,240
Murray, Lyn Gay	-	675
	27,357	8,915
Interest Received		
Cash at Bank	-	557
NAB Business Cheque Account #7325	564	-
	564	557
Member/Personal Contributions - Non Concessional (Undeducted)		
Murray, John Robert	-	41,206
Murray, Lyn Gay	-	2,600
	-	43,806
Other Contributions - Non Taxable		
Murray, Lyn Gay	362	-
	362	-
Rent Received		
3/119 Gavenlock Road, Tuggerah	24,930	22,880
	24,930	22,880
Transfers In - Preserved/Taxable		
Harvey, Kiara	66,545	-
	66,545	-
Transfers In - Unrestricted Non Preserved/Tax Free		
Murray, Lyn Gay	754	-
	754	-
Revaluations		
Real Estate Properties (Australian)		
3/119 Gavenlock Road, Tuggerah	(11,080)	-
	(11,080)	-
	(11,080)	-
	109,432	76,158
<b>Expenses</b>		
Accountancy Fees	3,652	-

The accompanying notes form part of these financial statements

**YARRAM GROUP SMSF  
DETAILED INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
Administration Costs	47	-
ATO Supervisory Levy	-	388
Auditor's Remuneration	600	-
Bank Charges	120	120
Pensions Paid - Preserved - Tax Free		
Murray, Lyn Gay	747	1,132
	<u>747</u>	<u>1,132</u>
Pensions Paid - Unrestricted Non Preserved - Tax Free		
Murray, John Robert	5,016	6,459
	<u>5,016</u>	<u>6,459</u>
Pensions Paid - Preserved - Taxable		
Murray, Lyn Gay	2,553	3,868
	<u>2,553</u>	<u>3,868</u>
Pensions Paid - Unrestricted Non Preserved - Taxable		
Murray, John Robert	18,284	23,541
	<u>18,284</u>	<u>23,541</u>
Rental Property Expenses		
Body Coporate Fees	-	1,235
Council Rates	1,530	830
Insurance Premiums	1,671	-
Valuation	880	-
Water Rates	521	347
	<u>4,602</u>	<u>2,411</u>
	<u>35,621</u>	<u>37,920</u>
<b>Benefits Accrued as a Result of Operations before Income Tax</b>	<u>73,811</u>	<u>38,238</u>
<b>Income Tax (Note 7)</b>		
Income Tax Expense	3,661	1,657
Prior Years Under/Over Provision for Income Tax	-	9
	<u>3,661</u>	<u>1,666</u>
<b>Benefits Accrued as a Result of Operations</b>	<u>70,150</u>	<u>36,572</u>

The accompanying notes form part of these financial statements

**YARRAM GROUP SMSF**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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**1. Summary of Significant Accounting Policies**

The trustees have prepared the financial statements on the basis that the superannuation fund is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Superannuation Industry (Supervision) Act 1993 and associated Regulations, the trust deed of the fund and the needs of members.

The financial statements have been prepared on a cash basis unless stated otherwise and are based on historical costs, except for investments which have been measured at market values.

The following significant accounting policies, which are consistent with the policies applied in the previous period unless otherwise stated, have been adopted in the preparation of the financial statements.

The financial statements were authorised for issue by the trustees/directors of the trustee company.

**a. Measurement of Investments**

The fund initially recognises:

- i. an investment when it controls the future economic benefits expected to flow from the asset. For financial assets, the trade date is considered to be the date on which control of the future economic benefits attributable to the asset passes to the Fund; and
- ii. a financial liability on the date it becomes a party to the contractual provisions of the instrument.

Investments of the fund have been measured at market values, which refers to the amount that a willing buyer could reasonably be expected to pay to acquire an asset from a willing seller if the following assumptions are made:

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

Market value has been determined as follows:

- i. shares and other securities listed on the Australian Securities Exchange by reference to the relevant market quotations at the end of the reporting period;
- ii. units in managed funds by reference to the unit redemption price at the end of the reporting period;
- iii. fixed-interest securities by reference to the redemption price at the end of the reporting period;
- iv. unlisted investments are stated at trustees' assessment based on estimated market value at balance date or where necessary, an external valuer's opinion; and
- v. investment properties at the trustees' assessment of market value or where necessary a qualified independent valuer's opinion at the end of reporting period.

Financial liabilities, such as trade creditors and other payables, are measured at the gross value of the outstanding balance at the end of the reporting period. The trustees have determined that the gross value of the fund's financial liabilities is equivalent to their market values. Any remeasurement changes in the gross values of non-current financial liabilities (including liabilities for members' accrued benefits) are recognised in the income statement in the periods in which they occur.

**b. Cash and Cash Equivalents**

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

**c. Revenue**

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**YARRAM GROUP SMSF**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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Revenue is recognised at the fair value of the consideration received or receivable.

**Interest revenue**

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

**Dividend revenue**

Dividend revenue is recognised when the dividend has been paid or, in the case of dividend reinvestment schemes, when the dividend is credited to the benefit of the fund.

**Rental revenue**

Rental revenue arising from operating leases on investment properties is recognised upon receipt.

**Distribution revenue**

Distributions from unit trusts and managed funds are recognised as at the date the unit value is quoted ex-distribution and if not received at the end of the reporting period, are reflected in the balance sheet as a receivable at market value.

**Remeasurement changes in market values**

Remeasurement changes in the market values of assets are recognised as income and determined as the difference between the market value at year-end or consideration received (if sold during the year) and the market value as at the prior year-end or cost (if acquired during the period).

**d. Liability for Accrued Benefits**

The liability for accrued benefits represents the fund's present obligation to pay benefits to members and beneficiaries and has been calculated as the difference between the carrying amount of the assets and the carrying amount of the other payables and income tax liabilities as at the end of the reporting period.

**e. Income Tax**

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

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax liability balances during the year as well as unused tax losses.

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

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

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

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 where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future

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**YARRAM GROUP SMSF**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

**f. Goods and Services Tax (GST)**

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

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

**g. Critical Accounting Estimates and Judgements**

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

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

**2. Liability for Accrued Benefits**

Changes in the Liability for Accrued Benefits are as follows:

	2017	2016
	\$	\$
Liability for Accrued Benefits at beginning of period	367,620	331,047
Add:		
Benefits Accrued as a Result of Operations	70,149	36,573
- Adjustment of Deferred Tax Liability /Deferred Tax Asset	-	-
	437,769	367,620
Liability for Accrued Benefits at end of period	437,769	367,620

**3. Vested Benefits**

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

	2017	2016
	\$	\$
Vested Benefits	437,769	367,620

**4. Guaranteed Benefits**

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

**5. Changes in Market Values**

Investments and other assets of the fund are valued at the end of the reporting period as described in Note 1 -

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**YARRAM GROUP SMSF**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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Summary of Significant Accounting Policies. A detailed schedule of investments is attached to these financial statements. A summary of the change in Market Values is as follows:

	2017	2016
	\$	\$
Real Estate Properties (Australian)	(11,080)	-
	(11,080)	-

**6. Funding Arrangements**

The employer and members contributed to the fund a percentage of the gross salaries of the employees who were members of the fund as follows:

	2017	2016
	\$	\$
Employer		
Members		

**7. Income Tax**

Income Tax is payable by the superannuation fund at the rate of 15% on the contributions received and the income of the fund. There has been no change in the Income Tax rate during the year.

The Income Tax payable by the superannuation fund has been calculated as follows:

	2017	2016
	\$	\$
Benefits accrued as a result of operations before income tax	73,810	38,239
Prima facie income tax on accrued benefits	11,071	5,736
Add/(Less) Tax Effect of:		
Member/Personal Contributions - Non Concessional (Undeducted)	-	(6,571)
Other Contributions - Non Taxable	(54)	-
Transfers In - Preserved/Taxable	(9,982)	-
Transfers In - Unrestricted Non Preserved/Tax Free	(113)	-
Accountancy Fees	400	-
Administration Costs	5	-
Auditor's Remuneration	66	-
Bank Charges	13	16
Decrease in Market Value of Investments	1,662	-
Pensions Paid - Preserved - Tax Free	112	170
Pensions Paid - Unrestricted Non Preserved - Tax Free	752	969
Pensions Paid - Preserved - Taxable	383	580
Pensions Paid - Unrestricted Non Preserved - Taxable	2,743	3,531
Rental Property Expenses	504	318
Exempt Pension Income	(2,794)	(3,091)

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**YARRAM GROUP SMSF**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

Movement in Deferred Tax Liability/Deferred Tax Asset	(1,108)	-
	(7,410)	(4,078)
Income Tax Expense	3,661	1,657

Income tax expense comprises:

Income Tax Payable/(Refundable)	3,711	(471)
Movement in Deferred Tax Liability/Deferred Tax Asset	(1,108)	-
Tax Instalments Paid	1,058	2,128
	3,661	1,657

**8. Reconciliation of Net Cash provided by Operating Activities to Benefits Accrued from Operations after Income Tax**

	2017	2016
	\$	\$
Benefits accrued from operations after income tax	70,149	36,573
Add/(Less) non cash amounts included in benefits accrued from operations		
Rent Received	(7,330)	-
Decrease in Market Value of Investments	11,080	-
Income Tax Expense	3,661	1,657
Other non cash items	(1,058)	(4,319)
	6,353	(2,661)
Net cash provided by operating activities	76,502	33,912

**9. Reconciliation of Cash**

For the purpose of the cash flow statement, cash includes cash on hand and in banks. Cash at the end of the reporting period as shown in the cash flow statement is reconciled to the related item in the Balance Sheet or Statement of Net Assets as follows:

	2017	2016
	\$	\$
Cash	134,133	54,111

**YARRAM GROUP SMSF**  
**TRUSTEE: YARRAM GROUP PTY LTD**  
**ACN: 166 037 743**  
**TRUSTEES DECLARATION**

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The directors of the trustee company have determined that the fund is not a reporting entity and that the special purpose financial statements should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the trustee company declare that:

- i. the financial statements and notes to the financial statements for the year ended 30 June 2017 present fairly, in all material respects, the financial position of the superannuation fund at 30 June 2017 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;
- ii. the financial statements and notes to the financial statements have been prepared in accordance with the requirements of the trust deed; and
- iii. the operation of the superannuation fund has been carried out in accordance with its trust deed and in compliance with the requirements of the Superannuation Industry (Supervision) Act 1993 and associated Regulations during the year ended 30 June 2017.

Signed in accordance with a resolution of the directors of the trustee company by:

John Robert Murray  
Yarram Group Pty Ltd  
Director

Lyn Gay Murray  
Yarram Group Pty Ltd  
Director

Ryan Robert Murray  
Yarram Group Pty Ltd  
Director

Kiara Harvey  
Yarram Group Pty Ltd  
Director

DATED:    /    /

**YARRAM GROUP SMSF**  
**STATEMENT OF TAXABLE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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	2017
	\$
Benefits Accrued as a Result of Operations before Income Tax	73,810.00
<b>Less:</b>	
Other Contributions - Non Taxable	(362.00)
Transfers In - Preserved/Taxable	(66,545.00)
Transfers In - Unrestricted Non Preserved/Tax Free	(754.00)
Exempt Pension Income	(18,626.00)
	<hr/>
	(86,287.00)
	<hr/>
	(12,477.00)
<b>Add:</b>	
Decrease in Market Value of Investments	11,080.00
Pensions Paid - Preserved - Tax Free	747.00
Pensions Paid - Unrestricted Non Preserved - Tax Free	5,016.00
Pensions Paid - Preserved - Taxable	2,553.00
Pensions Paid - Unrestricted Non Preserved - Taxable	18,284.00
Pension Member Non Deductible Expenses	6,591.00
	<hr/>
	44,271.00
	<hr/>
<b>Taxable Income</b>	<b>31,794.00</b>
	<hr/>
<b>Tax Payable on Taxable Income</b>	<b>4,769.10</b>
<b>Less:</b>	
Instalments Paid	1,058.00
	<hr/>
	1,058.00
	<hr/>
<b>Income Tax Payable/(Refund)</b>	<b>3,711.10</b>
<b>Add:</b>	
Supervisory levy	259.00
<b>Total Amount Due or Refundable</b>	<b>3,970.10</b>
	<hr/>

**YARRAM GROUP SMSF**  
**DEFERRED TAX RECONCILIATION**  
**FOR THE YEAR ENDED 30 JUNE 2017**

Account Code	Account	Revaluation/Tax Deferred Amount	Permanent Difference	Amount
		\$	\$	\$
<b>Revaluations</b>				
772/001	3/119 Gavenlock Road, Tuggerah	(11,080.03)	3,693.34	(7,386.69)
		(11,080.03)	3,693.34	(7,386.69)
		(11,080.03)	3,693.34	(7,386.69)
<b>Deferred Tax Liability/ (Deferred Tax Asset) Summary</b>				
	Opening Balance			-
	Add Increase/(Decrease) in Deferred Tax			
	- Current Year Transactions (\$7,386.69) @ 15%			(1,108.00)
	- Deferred Tax Adjustments			-
	- Current Year Tax Loss			-
	- Change in Capital Loss carried forward (\$0.00 @ 15%)			-
	<b>Closing Balance at 30 June 2017</b>		<b>\$</b>	<b>(1,108.00)</b>