

Hong John Super Fund

Trustees Declaration

The trustees 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 trustees declare that:

- (i) the financial statements and notes to the financial statements for the year ended 30 June 2018 present fairly, in all material respects, the financial position of the superannuation fund at 30 June 2018 and the results of its operations for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
- (ii) the financial statements and notes to the financial statements have been prepared in accordance with the requirements of the trust deed; and
- (iii) the operation of the superannuation fund has been carried out in accordance with its trust deed and in compliance with the requirements of the Superannuation Industry (Supervision) Act 1993 and associated Regulations during the year ended 30 June 2018.

Specifically, the trustees declare that:

- in accordance with s120 of the Superannuation Industry (Supervision) Act 1993, no individual trustee has been or is a disqualified person;
- the fund has satisfactory title to all assets, all assets are unencumbered and free from charge as prescribed by s50 of the Superannuation Industry (Supervision) Act 1993 and reg13.14 of the Superannuation Industry (Supervision) Act 1994; and
- to the knowledge of the trustees, there have been no events or transactions subsequent to the balance date which could have a material impact on the fund. Where such events have occurred, the effect of such events has been accounted and noted in the fund's financial statements.

Signed in accordance with a resolution of the trustees by:

.....
Richard Lovell

Trustee

.....
Jennifer Ma

Trustee

30 June 2018

Hong John Super Fund

Statement of Financial Position

As at 30 June 2018

| | Note | 2018 \$ | 2017 \$ |
|--|------|-------------------|-------------------|
| Assets | | | |
| Investments | | | |
| Shares in Listed Companies (Australian) | 2 | 225,496.06 | 175,356.82 |
| Units in Listed Unit Trusts (Australian) | 3 | 124,316.28 | 101,978.75 |
| Total Investments | | <u>349,812.34</u> | <u>277,335.57</u> |
| Other Assets | | | |
| Distributions Receivable | | 577.97 | 323.26 |
| Macquarie Cash Management ***8422 | | 49,568.85 | 54,647.02 |
| ANZ Etrade | | 0.11 | 0.11 |
| Income Tax Refundable | | 3,159.75 | 0.00 |
| Total Other Assets | | <u>53,306.68</u> | <u>54,970.39</u> |
| Total Assets | | <u>403,119.02</u> | <u>332,305.96</u> |
| Less: | | | |
| Liabilities | | | |
| Income Tax Payable | | 0.00 | 8,085.41 |
| PAYG Payable | | 2,191.00 | 344.00 |
| Deferred Tax Liability | | 3,296.55 | 110.44 |
| Total Liabilities | | <u>5,487.55</u> | <u>8,539.85</u> |
| Net assets available to pay benefits | | <u>397,631.47</u> | <u>323,766.11</u> |
| Represented by: | | | |
| Liability for accrued benefits allocated to members' accounts | 5, 6 | | |
| Lovell, Richard - Accumulation | | 131,006.31 | 96,919.54 |
| Ma, Jennifer - Accumulation | | 266,625.16 | 226,226.73 |
| Contribution and Investment Reserves | | 0.00 | 619.84 |
| Total Liability for accrued benefits allocated to members' accounts | | <u>397,631.47</u> | <u>323,766.11</u> |

Hong John Super Fund
Operating Statement
For the year ended 30 June 2018

| | Note | 2018 \$ | 2017 \$ |
|---|------|------------------|------------------|
| Income | | | |
| Investment Income | | | |
| Trust Distributions | 9 | 3,054.37 | 1,291.00 |
| Dividends Received | 8 | 7,256.55 | 4,427.21 |
| Interest Received | | 753.09 | 1,072.76 |
| Other Investment Income | | 145.37 | 200.21 |
| Investment Gains | | | |
| Changes in Market Values | 10 | 31,325.51 | 6,340.41 |
| Contribution Income | | | |
| Employer Contributions | | 25,424.83 | 30,729.22 |
| Personal Concessional | | 17,600.00 | 30,000.00 |
| Total Income | | <u>85,559.72</u> | <u>74,060.81</u> |
| Expenses | | | |
| Accountancy Fees | | 1,980.00 | 2,310.00 |
| ATO Supervisory Levy | | 259.00 | 259.00 |
| Auditor's Remuneration | | 660.00 | 660.00 |
| Bank Charges | | 5.00 | 5.00 |
| Total Expenses | | <u>2,904.00</u> | <u>3,234.00</u> |
| Benefits accrued as a result of operations before income tax | | | |
| | | <u>82,655.72</u> | <u>70,826.81</u> |
| Income Tax Expense | 11 | 8,790.36 | 9,124.49 |
| Benefits accrued as a result of operations | | <u>73,865.36</u> | <u>61,702.32</u> |

Hong John Super Fund

Detailed Operating Statement

For the year ended 30 June 2018

| | 2018 | 2017 |
|---|------------------|------------------|
| | \$ | \$ |
| Income | | |
| Investment Income | | |
| Trust Distributions | | |
| Duet Group | 0.00 | 201.61 |
| Macquarie Altas Roads Group | 646.62 | 13.57 |
| Spdr S&p 500 Etf | 1,082.09 | 752.56 |
| Vanguard Australian Property Securities Index Etf | 846.41 | 81.90 |
| Vanguard Msci Index International Shares Etf | 479.25 | 241.36 |
| | <u>3,054.37</u> | <u>1,291.00</u> |
| Dividends Received | | |
| Amcor Limited | 479.61 | 337.14 |
| Argo Global Ltd | 378.75 | 353.50 |
| Asaleo Care Limited | 1,535.00 | 607.00 |
| Aurizon Holdings Limited | 340.87 | 277.07 |
| Brambles Limited | 594.50 | 369.75 |
| CSL Limited | 86.41 | 77.60 |
| Cybg Plc | 12.60 | 0.00 |
| Iluka Resources Limited | 150.35 | 14.55 |
| Macquarie Group Limited | 727.50 | 549.00 |
| National Australia Bank Limited | 415.80 | 297.00 |
| Oil Search Ltd | 117.25 | 26.38 |
| Regis Healthcare Limited | 772.80 | 398.10 |
| Telstra Corporation Limited. | 622.95 | 275.90 |
| Wesfarmers Limited | 446.00 | 396.00 |
| Westpac Banking Corporation | 432.40 | 338.40 |
| Woodside Petroleum Limited | 143.76 | 109.82 |
| | <u>7,256.55</u> | <u>4,427.21</u> |
| Interest Received | | |
| ANZ Etrade | 0.48 | 0.88 |
| Macquarie Cash Management ***8422 | 752.61 | 1,071.88 |
| | <u>753.09</u> | <u>1,072.76</u> |
| Other Investment Income | | |
| Rebate of Adviser Commission | 145.37 | 200.21 |
| | <u>145.37</u> | <u>200.21</u> |
| Contribution Income | | |
| Employer Contributions - Concessional | | |
| Richard Lovell | 25,424.83 | 30,729.22 |
| | <u>25,424.83</u> | <u>30,729.22</u> |
| Personal Contributions - Concessional | | |
| Jennifer Ma | 17,600.00 | 30,000.00 |
| | <u>17,600.00</u> | <u>30,000.00</u> |
| Investment Gains | | |
| Realised Movements in Market Value | | |
| Units in Listed Unit Trusts (Australian) | | |
| Duet Group | 0.00 | 948.05 |
| | <u>0.00</u> | <u>948.05</u> |
| Unrealised Movements in Market Value | | |
| Shares in Listed Companies (Australian) | | |
| Amcor Limited | (1,233.00) | 1,033.82 |
| Argo Global Ltd | (505.00) | 151.50 |

Hong John Super Fund

Detailed Operating Statement

For the year ended 30 June 2018

| | 2018 | 2017 |
|---|------------------|-------------------|
| | \$ | \$ |
| Asaleo Care Limited | (1,151.25) | (2,780.88) |
| Aurizon Holdings Limited | (1,282.75) | 556.20 |
| Brambles Limited | (1,742.50) | (3,197.49) |
| Cooper Energy Limited | 50.00 | 0.00 |
| CSL Limited | 2,456.55 | 1,163.25 |
| Cybg Plc | 668.84 | 392.58 |
| Iluka Resources Limited | 1,212.50 | 1,062.15 |
| Macquarie Group Limited | 6,041.40 | 2,940.00 |
| National Australia Bank Limited | (588.60) | 686.40 |
| Oil Search Ltd | 2,163.20 | 208.00 |
| Polynovo Limited | 5,850.00 | (1,260.00) |
| Regis Healthcare Limited | (2,980.00) | (1,505.00) |
| Resapp Health Limited | (1,769.00) | 0.00 |
| Santos Limited | 7,938.00 | (1,507.23) |
| Telstra Corporation Limited. | (4,174.20) | (981.40) |
| Wesfarmers Limited | 1,848.00 | 4.00 |
| Westpac Banking Corporation | (338.80) | 239.80 |
| Woodside Petroleum Limited | 2,867.50 | 303.00 |
| | <u>15,330.89</u> | <u>(2,491.30)</u> |
| Units in Listed Unit Trusts (Australian) | | |
| Atlas Arteria | 6,774.32 | 0.00 |
| Duet Group | 0.00 | (226.40) |
| Macquarie Altas Roads Group | (4,009.61) | 1,733.93 |
| Spdr S&p 500 Etf | 10,726.65 | 7,210.43 |
| Vanguard Australian Property Securities Index Etf | 355.00 | (727.50) |
| Vanguard Msci Index International Shares Etf | 2,148.26 | (106.80) |
| | <u>15,994.62</u> | <u>7,883.66</u> |
| Changes in Market Values | <u>31,325.51</u> | <u>6,340.41</u> |
| Total Income | <u>85,559.72</u> | <u>74,060.81</u> |
| Expenses | | |
| Accountancy Fees | 1,980.00 | 2,310.00 |
| ATO Supervisory Levy | 259.00 | 259.00 |
| Auditor's Remuneration | 660.00 | 660.00 |
| Bank Charges | 5.00 | 5.00 |
| | <u>2,904.00</u> | <u>3,234.00</u> |
| Total Expenses | <u>2,904.00</u> | <u>3,234.00</u> |
| Benefits accrued as a result of operations before income tax | <u>82,655.72</u> | <u>70,826.81</u> |
| Income Tax Expense | | |
| Income Tax Expense | 8,790.36 | 9,124.49 |
| Total Income Tax | <u>8,790.36</u> | <u>9,124.49</u> |
| Benefits accrued as a result of operations | <u>73,865.36</u> | <u>61,702.32</u> |

Hong John Super Fund
Statement of Taxable Income
For the year ended 30 June 2018

| | 2018 |
|--|-------------------|
| | \$ |
| Benefits accrued as a result of operations | 82,655.72 |
| Less | |
| Increase in MV of investments | 31,325.51 |
| Accounting Trust Distributions | 3,054.37 |
| | <u>34,379.88</u> |
| Add | |
| Franking Credits | 1,855.99 |
| Foreign Credits | 526.06 |
| Net Capital Gains | 217.00 |
| Taxable Trust Distributions | 255.17 |
| Distributed Foreign income | 2,116.60 |
| | <u>4,970.82</u> |
| SMSF Annual Return Rounding | (4.66) |
| | <u>53,242.00</u> |
| Taxable Income or Loss | <u>53,242.00</u> |
| Income Tax on Taxable Income or Loss | 7,986.30 |
| Less | |
| Franking Credits | 1,855.99 |
| Foreign Credits | 526.06 |
| | <u>5,604.25</u> |
| CURRENT TAX OR REFUND | <u>5,604.25</u> |
| Supervisory Levy | 259.00 |
| Income Tax Instalments Paid | (8,764.00) |
| | <u>(2,900.75)</u> |
| AMOUNT DUE OR REFUNDABLE | <u>(2,900.75)</u> |

Hong John Super Fund

Deferred Tax Reconciliation

For The Period 01 July 2017 - 30 June 2018

| Investment Code | Investment Name | Revaluation/Tax Deferred | Permanent Difference (Non-Assessable) | Temporary Difference (Assessable) | Temporary Difference (Accumulation Portion) |
|---------------------|---|--------------------------|---------------------------------------|-----------------------------------|---|
| Revaluations | | | | | |
| OSH.AX | Oil Search Ltd | 2,163.20 | 721.07 | 1,442.13 | 1,442.13 |
| CYB.AX | Cybg Plc | 668.84 | 222.95 | 445.89 | 445.89 |
| CSL.AX | CSL Limited | 2,456.55 | 818.85 | 1,637.70 | 1,637.70 |
| TLS.AX | Telstra Corporation Limited. | (4,174.20) | (1,391.40) | (2,782.80) | (2,782.80) |
| MQA.AX | Macquarie Altas Roads Group | (4,009.61) | (1,336.54) | (2,673.07) | (2,673.07) |
| AZJ.AX | Aurizon Holdings Limited | (1,282.75) | (427.58) | (855.17) | (855.17) |
| MQG.AX | Macquarie Group Limited | 6,041.40 | 2,013.80 | 4,027.60 | 4,027.60 |
| AHY.AX | Asaleo Care Limited | (1,151.25) | (383.75) | (767.50) | (767.50) |
| NAB.AX | National Australia Bank Limited | (588.60) | (196.20) | (392.40) | (392.40) |
| ALI.AX | Argo Global Ltd | (505.00) | (168.33) | (336.67) | (336.67) |
| RAP.AX | Resapp Health Limited | (1,769.00) | (589.67) | (1,179.33) | (1,179.33) |
| COE.AX | Cooper Energy Limited | 50.00 | 16.67 | 33.33 | 33.33 |
| WES.AX | Wesfarmers Limited | 1,848.00 | 616.00 | 1,232.00 | 1,232.00 |
| AMC.AX | Amcor Limited | (1,233.00) | (411.00) | (822.00) | (822.00) |
| REG.AX | Regis Healthcare Limited | (2,980.00) | (993.33) | (1,986.67) | (1,986.67) |
| VGS.AX | Vanguard Msci Index International Shares Etf | 2,148.26 | 716.09 | 1,432.17 | 1,432.17 |
| BXB.AX | Brambles Limited | (1,742.50) | (580.83) | (1,161.67) | (1,161.67) |
| STO.AX | Santos Limited | 7,938.00 | 2,646.00 | 5,292.00 | 5,292.00 |
| WPL.AX | Woodside Petroleum Limited | 2,867.50 | 955.83 | 1,911.67 | 1,911.67 |
| VAP.AX | Vanguard Australian Property Securities Index Etf | 355.00 | 118.33 | 236.67 | 236.67 |

Hong John Super Fund

Deferred Tax Reconciliation

For The Period 01 July 2017 - 30 June 2018

| Investment Code | Investment Name | Revaluation/Tax Deferred | Permanent Difference (Non- Assessable) | Temporary Difference (Assessable) | Temporary Difference (Accumulation Portion) |
|---|-----------------------------|-----------------------------|--|---|--|
| ALX.AX | Atlas Arteria | 6,774.32 | 2,258.11 | 4,516.21 | 4,516.21 |
| PNV.AX | Polynovo Limited | 5,850.00 | 1,950.00 | 3,900.00 | 3,900.00 |
| WBC.AX | Westpac Banking Corporation | (338.80) | (112.93) | (225.87) | (225.87) |
| ILU.AX | Iluka Resources Limited | 1,212.50 | 404.17 | 808.33 | 808.33 |
| SPY.AX | Spdr S&p 500 Etf | 10,726.65 | 3,575.55 | 7,151.10 | 7,151.10 |
| | | 31,325.51 | 10,441.86 | 20,883.65 | 20,883.65 |
| Total | | 31,325.51 | 10,441.86 | 20,883.65 | 20,883.65 |
| Deferred Tax Liability (Asset) Summary | | | | | |
| Opening Balance | | 110.44 | | | |
| Current Year Transactions | | 3,132.55 | | | |
| Current Year Capital Loss | | 0.00 | | | |
| Current Year Tax Loss | | 0.00 | | | |
| Deferred Tax WriteBacks/Adjustment | | 0.00 | | | |
| Capital Loss carried forward recouped | | 53.56 | | | |
| Tax Loss carried forward recouped | | 0.00 | | | |
| Closing Balance | | 3,296.55 | | | |

Hong John Super Fund

Notes to the Financial Statements

For the year ended 30 June 2018

Note 1: Summary of Significant Accounting Policies

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

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

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

The financial statements were authorised for issue by the Trustee(s).

a. Measurement of Investments

The fund initially recognises:

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

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

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

Market value has been determined as follows:

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

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

b. Cash and Cash Equivalents

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

c. Revenue

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

Interest revenue

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

Hong John Super Fund

Notes to the Financial Statements

For the year ended 30 June 2018

Dividend revenue

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

Rental revenue

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

Distribution revenue

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

Remeasurement changes in market values

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

d. Liability for Accrued Benefits

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

e. Income Tax

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

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

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

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

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

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

f. Critical Accounting Estimates and Judgements

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

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

Note 2: Shares in Listed Companies (Australian)

2018
\$

2017
\$

Hong John Super Fund

Notes to the Financial Statements

For the year ended 30 June 2018

| | | |
|---------------------------------|------------|------------|
| Asaleo Care Limited | 21,413.25 | 22,564.50 |
| Argo Global Ltd | 18,180.00 | 18,685.00 |
| Amcor Limited | 14,410.00 | 11,833.30 |
| Aurizon Holdings Limited | 7,707.40 | 5,520.80 |
| Brambles Limited | 18,204.00 | 19,946.50 |
| Cooper Energy Limited | 3,850.00 | 0.00 |
| CSL Limited | 8,667.90 | 6,211.35 |
| Cybg Plc | 4,093.01 | 3,424.17 |
| Iluka Resources Limited | 5,422.30 | 4,209.80 |
| Macquarie Group Limited | 22,257.00 | 13,275.00 |
| National Australia Bank Limited | 7,400.70 | 7,989.30 |
| Oil Search Ltd | 9,256.00 | 7,092.80 |
| Polynovo Limited | 9,630.00 | 3,780.00 |
| Resapp Health Limited | 1,350.00 | 0.00 |
| Regis Healthcare Limited | 16,400.00 | 15,720.00 |
| Santos Limited | 15,361.50 | 7,423.50 |
| Telstra Corporation Limited. | 7,860.00 | 8,127.00 |
| Westpac Banking Corporation | 8,204.00 | 8,542.80 |
| Wesfarmers Limited | 9,872.00 | 8,024.00 |
| Woodside Petroleum Limited | 15,957.00 | 2,987.00 |
| | <hr/> | <hr/> |
| | 225,496.06 | 175,356.82 |

Note 3: Units in Listed Unit Trusts (Australian)

| | 2018 | 2017 |
|---|-------------|-------------|
| | \$ | \$ |
| Atlas Arteria | 20,100.18 | 0.00 |
| Macquarie Altas Roads Group | 0.00 | 15,231.15 |
| Spdr S&p 500 Etf | 72,653.60 | 61,926.95 |
| Vanguard Australian Property Securities Index Etf | 10,017.50 | 9,662.50 |
| Vanguard Msci Index International Shares Etf | 21,545.00 | 15,158.15 |
| | <hr/> | <hr/> |
| | 124,316.28 | 101,978.75 |

Hong John Super Fund

Notes to the Financial Statements

For the year ended 30 June 2018

Note 4: Banks and Term Deposits

| | 2018 \$ | 2017 \$ |
|-----------------------------------|-----------------|-----------------|
| Banks | | |
| ANZ Etrade | 0.11 | 0.11 |
| Macquarie Cash Management ***8422 | 49,568.85 | 54,647.02 |
| | <hr/> 49,568.96 | <hr/> 54,647.13 |

Note 5: Liability for Accrued Benefits

| | 2018 \$ | 2017 \$ |
|---|------------------|------------------|
| Liability for accrued benefits at beginning of year | 323,146.27 | 262,063.79 |
| Benefits accrued as a result of operations | 73,865.36 | 61,702.32 |
| Contribution and Investment Reserves | 0.00 | 619.84 |
| Current year member movements | 619.84 | (619.84) |
| Liability for accrued benefits at end of year | <hr/> 397,631.47 | <hr/> 323,766.11 |

Note 6: Vested Benefits

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

| | 2018 \$ | 2017 \$ |
|-----------------|------------------|------------------|
| Vested Benefits | <hr/> 397,631.47 | <hr/> 323,766.11 |

Note 7: Guaranteed Benefits

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

Note 8: Dividends

| | 2018 \$ | 2017 \$ |
|---------------------|------------|------------|
| Amcor Limited | 479.61 | 337.14 |
| Argo Global Ltd | 378.75 | 353.50 |
| Asaleo Care Limited | 1,535.00 | 607.00 |

Hong John Super Fund

Notes to the Financial Statements

For the year ended 30 June 2018

| | | |
|---------------------------------|----------|----------|
| Aurizon Holdings Limited | 340.87 | 277.07 |
| Brambles Limited | 594.50 | 369.75 |
| CSL Limited | 86.41 | 77.60 |
| Cybg Plc | 12.60 | 0.00 |
| Iluka Resources Limited | 150.35 | 14.55 |
| Macquarie Group Limited | 727.50 | 549.00 |
| National Australia Bank Limited | 415.80 | 297.00 |
| Oil Search Ltd | 117.25 | 26.38 |
| Regis Healthcare Limited | 772.80 | 398.10 |
| Telstra Corporation Limited. | 622.95 | 275.90 |
| Wesfarmers Limited | 446.00 | 396.00 |
| Westpac Banking Corporation | 432.40 | 338.40 |
| Woodside Petroleum Limited | 143.76 | 109.82 |
| | <hr/> | <hr/> |
| | 7,256.55 | 4,427.21 |
| | <hr/> | <hr/> |

Note 9: Trust Distributions

| | 2018 \$ | 2017 \$ |
|---|------------|------------|
| Vanguard Msci Index International Shares Etf | 479.25 | 241.36 |
| Spdr S&p 500 Etf | 1,082.09 | 752.56 |
| Macquarie Altas Roads Group | 646.62 | 13.57 |
| Vanguard Australian Property Securities Index Etf | 846.41 | 81.90 |
| Duet Group | 0.00 | 201.61 |
| | <hr/> | <hr/> |
| | 3,054.37 | 1,291.00 |
| | <hr/> | <hr/> |

Note 10: Unrealised Movements in Market Value

| | 2018 \$ | 2017 \$ |
|--|------------|------------|
| Shares in Listed Companies (Australian) | | |
| Amcor Limited | (1,233.00) | 1,033.82 |
| Argo Global Ltd | (505.00) | 151.50 |
| Asaleo Care Limited | (1,151.25) | (2,780.88) |
| Aurizon Holdings Limited | (1,282.75) | 556.20 |
| Brambles Limited | (1,742.50) | (3,197.49) |
| CSL Limited | 2,456.55 | 1,163.25 |

Hong John Super Fund

Notes to the Financial Statements

For the year ended 30 June 2018

| | | |
|---|------------------|-----------------|
| Cooper Energy Limited | 50.00 | 0.00 |
| Cybg Plc | 668.84 | 392.58 |
| Iluka Resources Limited | 1,212.50 | 1,062.15 |
| Macquarie Group Limited | 6,041.40 | 2,940.00 |
| National Australia Bank Limited | (588.60) | 686.40 |
| Oil Search Ltd | 2,163.20 | 208.00 |
| Polynovo Limited | 5,850.00 | (1,260.00) |
| Regis Healthcare Limited | (2,980.00) | (1,505.00) |
| Resapp Health Limited | (1,769.00) | 0.00 |
| Santos Limited | 7,938.00 | (1,507.23) |
| Telstra Corporation Limited. | (4,174.20) | (981.40) |
| Wesfarmers Limited | 1,848.00 | 4.00 |
| Westpac Banking Corporation | (338.80) | 239.80 |
| Woodside Petroleum Limited | 2,867.50 | 303.00 |
| | <hr/> | <hr/> |
| | 15,330.89 | (2,491.30) |
| | <hr/> | <hr/> |
| Units in Listed Unit Trusts (Australian) | | |
| Atlas Arteria | 6,774.32 | 0.00 |
| Duet Group | 0.00 | (226.40) |
| Macquarie Altas Roads Group | (4,009.61) | 1,733.93 |
| Spdr S&p 500 Etf | 10,726.65 | 7,210.43 |
| Vanguard Australian Property Securities Index Etf | 355.00 | (727.50) |
| Vanguard Msci Index International Shares Etf | 2,148.26 | (106.80) |
| | <hr/> | <hr/> |
| | 15,994.62 | 7,883.66 |
| | <hr/> | <hr/> |
| Total Unrealised Movement | 31,325.51 | 5,392.36 |
| | <hr/> | <hr/> |
| Realised Movements in Market Value | | |
| | 2018 | 2017 |
| | \$ | \$ |
| Units in Listed Unit Trusts (Australian) | | |
| Duet Group | 0.00 | 948.05 |
| | <hr/> | <hr/> |
| | 0.00 | 948.05 |
| | <hr/> | <hr/> |

Hong John Super Fund

Notes to the Financial Statements

For the year ended 30 June 2018

| | | |
|---------------------------------|-----------|----------|
| Total Realised Movement | 0.00 | 948.05 |
| Changes in Market Values | 31,325.51 | 6,340.41 |

Note 11: Income Tax Expense

| | 2018 | 2017 |
|--|-------------|-------------|
| | \$ | \$ |
| The components of tax expense comprise | | |
| Current Tax | 5,604.25 | 8,429.41 |
| Deferred Tax Liability/Asset | 3,186.11 | 695.08 |
| Income Tax Expense | 8,790.36 | 9,124.49 |

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

| | | |
|--|-----------|-----------|
| Prima facie tax payable on benefits accrued before income tax at 15% | 12,398.36 | 10,624.02 |
| Less: | | |
| Tax effect of: | | |
| Increase in MV of Investments | 4,698.83 | 808.85 |
| Realised Accounting Capital Gains | 0.00 | 142.21 |
| Accounting Trust Distributions | 458.16 | 193.65 |
| Add: | | |
| Tax effect of: | | |
| Franking Credits | 278.40 | 170.75 |
| Foreign Credits | 78.91 | 42.08 |
| Net Capital Gains | 32.55 | 0.00 |
| Taxable Trust Distributions | 38.28 | 36.92 |
| Distributed Foreign Income | 317.49 | 119.76 |
| Rounding | (0.70) | (0.57) |
| Income Tax on Taxable Income or Loss | 7,986.30 | 9,848.25 |
| Less credits: | | |
| Franking Credits | 1,855.99 | 1,138.33 |
| Foreign Credits | 526.06 | 280.51 |

Hong John Super Fund

Notes to the Financial Statements

For the year ended 30 June 2018

Current Tax or Refund

5,604.25

8,429.41

Hong John Super Fund

Members Summary Report

As at 30 June 2018

| Opening Balance | Increases | | | | Decreases | | | | | | Closing Balance |
|---------------------------------|------------------|--------------|------------------|--------------------|---------------|-------------------|-----------------|------------------------------|--------------------|-----------------|-------------------|
| | Contributions | Transfers In | Net Earnings | Insurance Proceeds | Pensions Paid | Contributions Tax | Taxes Paid | Benefits Paid/ Transfers Out | Insurance Premiums | Member Expenses | |
| Richard Lovell (Age: 40) | | | | | | | | | | | |
| LOVRIC00001A - Accumulation | | | | | | | | | | | |
| 96,919.54 | 26,154.05 | 0.00 | 13,355.91 | 0.00 | 0.00 | 3,923.12 | 1,500.07 | 0.00 | 0.00 | 0.00 | 131,006.31 |
| 96,919.54 | 26,154.05 | 0.00 | 13,355.91 | 0.00 | 0.00 | 3,923.12 | 1,500.07 | 0.00 | 0.00 | 0.00 | 131,006.31 |
| Jennifer Ma (Age: 40) | | | | | | | | | | | |
| MAJENN00001A - Accumulation | | | | | | | | | | | |
| 226,226.73 | 17,600.00 | 0.00 | 28,657.03 | 0.00 | 0.00 | 2,640.00 | 3,218.60 | 0.00 | 0.00 | 0.00 | 266,625.16 |
| 226,226.73 | 17,600.00 | 0.00 | 28,657.03 | 0.00 | 0.00 | 2,640.00 | 3,218.60 | 0.00 | 0.00 | 0.00 | 266,625.16 |
| 323,146.27 | 43,754.05 | 0.00 | 42,012.94 | 0.00 | 0.00 | 6,563.12 | 4,718.67 | 0.00 | 0.00 | 0.00 | 397,631.47 |

Members Statement

Richard Lovell
 2 Bloomsbury Street
 Goodwood, South Australia, 5034, Australia

Your Details

Date of Birth : 21/02/1978
 Age: 40
 Tax File Number: Provided
 Date Joined Fund: 19/02/2011
 Service Period Start Date:
 Date Left Fund:
 Member Code: LOVRIC00001A
 Account Start Date 19/02/2011
 Account Phase: Accumulation Phase
 Account Description: Accumulation

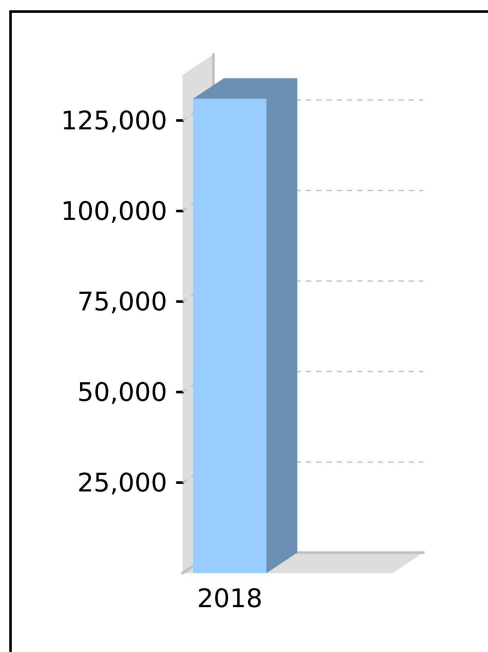
Nominated Beneficiaries N/A
 Vested Benefits 131,006.31
 Total Death Benefit 131,006.31
 Current Salary 0.00
 Previous Salary 0.00
 Disability Benefit 0.00

Your Balance

Total Benefits 131,006.31

Preservation Components
 Preserved 131,006.31
 Unrestricted Non Preserved
 Restricted Non Preserved

Tax Components
 Tax Free 28.50
 Taxable 130,977.81



Your Detailed Account Summary

| | This Year |
|--|------------|
| Opening balance at 01/07/2017 | 96,919.54 |
| <u>Increases to Member account during the period</u> | |
| Employer Contributions | 26,154.05 |
| Personal Contributions (Concessional) | |
| Personal Contributions (Non Concessional) | |
| Government Co-Contributions | |
| Other Contributions | |
| Proceeds of Insurance Policies | |
| Transfers In | |
| Net Earnings | 13,355.91 |
| Internal Transfer In | |
| <u>Decreases to Member account during the period</u> | |
| Pensions Paid | |
| Contributions Tax | 3,923.12 |
| Income Tax | 1,500.07 |
| No TFN Excess Contributions Tax | |
| Excess Contributions Tax | |
| Refund Excess Contributions | |
| Division 293 Tax | |
| Insurance Policy Premiums Paid | |
| Management Fees | |
| Member Expenses | |
| Benefits Paid/Transfers Out | |
| Superannuation Surcharge Tax | |
| Internal Transfer Out | |
| Closing balance at 30/06/2018 | 131,006.31 |

Members Statement

Jennifer Ma
 2 Bloomsbury Street
 Goodwood, South Australia, 5034, Australia

Your Details

Date of Birth : 26/02/1978
 Age: 40
 Tax File Number: Provided
 Date Joined Fund: 19/02/2011
 Service Period Start Date:
 Date Left Fund:
 Member Code: MAJENN00001A
 Account Start Date 19/02/2011
 Account Phase: Accumulation Phase
 Account Description: Accumulation

Nominated Beneficiaries N/A
 Vested Benefits 266,625.16
 Total Death Benefit 266,625.16
 Current Salary 0.00
 Previous Salary 0.00
 Disability Benefit 0.00

Your Balance

Total Benefits 266,625.16

Preservation Components

Preserved 266,625.16

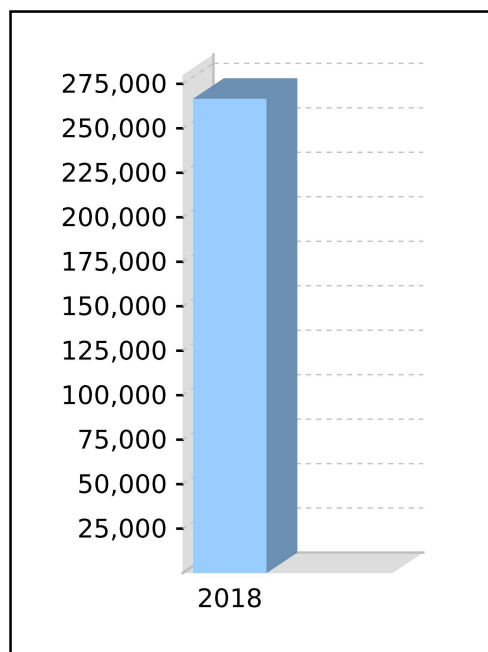
Unrestricted Non Preserved

Restricted Non Preserved

Tax Components

Tax Free 128.50

Taxable 266,496.66



Your Detailed Account Summary

| | This Year |
|--|------------|
| Opening balance at 01/07/2017 | 226,226.73 |
| <u>Increases to Member account during the period</u> | |
| Employer Contributions | |
| Personal Contributions (Concessional) | 17,600.00 |
| Personal Contributions (Non Concessional) | |
| Government Co-Contributions | |
| Other Contributions | |
| Proceeds of Insurance Policies | |
| Transfers In | |
| Net Earnings | 28,657.03 |
| Internal Transfer In | |
| <u>Decreases to Member account during the period</u> | |
| Pensions Paid | |
| Contributions Tax | 2,640.00 |
| Income Tax | 3,218.60 |
| No TFN Excess Contributions Tax | |
| Excess Contributions Tax | |
| Refund Excess Contributions | |
| Division 293 Tax | |
| Insurance Policy Premiums Paid | |
| Management Fees | |
| Member Expenses | |
| Benefits Paid/Transfers Out | |
| Superannuation Surcharge Tax | |
| Internal Transfer Out | |
| Closing balance at 30/06/2018 | 266,625.16 |

Hong John Super Fund

Investment Summary Report

As at 30 June 2018

| Investment | Units | Market Price | Market Value | Average Cost | Accounting Cost | Unrealised Gain/(Loss) | Gain/(Loss)% | Portfolio Weight% |
|---|---------------------------------|---------------|-------------------|--------------|-------------------|------------------------|---------------|-------------------|
| Cash/Bank Accounts | | | | | | | | |
| ANZ Etrade | | 0.110000 | 0.11 | 0.11 | 0.11 | | | 0.00 % |
| Macquarie Cash Management ***8422 | | 49,568.850000 | 49,568.85 | 49,568.85 | 49,568.85 | | | 12.41 % |
| | | | 49,568.96 | | 49,568.96 | | 0.00 % | 12.41 % |
| Shares in Listed Companies (Australian) | | | | | | | | |
| AMC.AX | Amcor Limited | 1,000.00 | 14,410.00 | 13.99 | 13,993.26 | 416.74 | 2.98 % | 3.61 % |
| ALI.AX | Argo Global Ltd | 10,100.00 | 18,180.00 | 1.98 | 19,998.00 | (1,818.00) | (9.09) % | 4.55 % |
| AHY.AX | Asaleo Care Limited | 15,350.00 | 21,413.25 | 1.61 | 24,655.18 | (3,241.93) | (13.15) % | 5.36 % |
| AZJ.AX | Aurizon Holdings Limited | 1,780.00 | 7,707.40 | 4.99 | 8,882.00 | (1,174.60) | (13.22) % | 1.93 % |
| BXB.AX | Brambles Limited | 2,050.00 | 18,204.00 | 10.76 | 22,047.85 | (3,843.85) | (17.43) % | 4.56 % |
| COE.AX | Cooper Energy Limited | 10,000.00 | 3,850.00 | 0.38 | 3,800.00 | 50.00 | 1.32 % | 0.96 % |
| CSL.AX | CSL Limited | 45.00 | 8,667.90 | 88.55 | 3,984.75 | 4,683.15 | 117.53 % | 2.17 % |
| CYB.AX | Cybg Plc | 727.00 | 4,093.01 | 4.67 | 3,394.57 | 698.44 | 20.58 % | 1.02 % |
| ILU.AX | Iluka Resources Limited | 485.00 | 5,422.30 | 7.19 | 3,486.55 | 1,935.75 | 55.52 % | 1.36 % |
| MQG.AX | Macquarie Group Limited | 180.00 | 22,257.00 | 81.12 | 14,601.76 | 7,655.24 | 52.43 % | 5.57 % |
| NAB.AX | National Australia Bank Limited | 270.00 | 7,400.70 | 30.93 | 8,351.53 | (950.83) | (11.39) % | 1.85 % |
| OSH.AX | Oil Search Ltd | 1,040.00 | 9,256.00 | 6.75 | 7,022.40 | 2,233.60 | 31.81 % | 2.32 % |
| PNV.AX | Polynovo Limited | 18,000.00 | 9,630.00 | 0.27 | 4,770.00 | 4,860.00 | 101.89 % | 2.41 % |
| REG.AX | Regis Healthcare Limited | 5,000.00 | 16,400.00 | 4.16 | 20,794.91 | (4,394.91) | (21.13) % | 4.11 % |
| RAP.AX | Resapp Health Limited | 10,000.00 | 1,350.00 | 0.31 | 3,119.00 | (1,769.00) | (56.72) % | 0.34 % |
| STO.AX | Santos Limited | 2,450.00 | 15,361.50 | 3.90 | 9,557.73 | 5,803.77 | 60.72 % | 3.85 % |
| TLS.AX | Telstra Corporation Limited. | 3,000.00 | 7,860.00 | 4.52 | 13,571.85 | (5,711.85) | (42.09) % | 1.97 % |
| WES.AX | Wesfarmers Limited | 200.00 | 9,872.00 | 39.79 | 7,958.50 | 1,913.50 | 24.04 % | 2.47 % |
| WBC.AX | Westpac Banking Corporation | 280.00 | 8,204.00 | 32.14 | 8,997.80 | (793.80) | (8.82) % | 2.05 % |
| WPL.AX | Woodside Petroleum Limited | 450.00 | 15,957.00 | 29.96 | 13,481.50 | 2,475.50 | 18.36 % | 4.00 % |
| | | | 225,496.06 | | 216,469.14 | 9,026.92 | 4.17 % | 56.46 % |
| Units in Listed Unit Trusts (Australian) | | | | | | | | |

Hong John Super Fund

Investment Summary Report

As at 30 June 2018

| Investment | Units | Market Price | Market Value | Average Cost | Accounting Cost | Unrealised Gain/(Loss) | Gain/(Loss)% | Portfolio Weight% |
|--|----------|--------------|-------------------|--------------|-------------------|------------------------|----------------|-------------------|
| ALX.AX Atlas Arteria | 3,126.00 | 6.430000 | 20,100.18 | 4.26 | 13,325.86 | 6,774.32 | 50.84 % | 5.03 % |
| SPY.AX Spdr S&p 500 Etf | 197.00 | 368.800000 | 72,653.60 | 280.07 | 55,173.78 | 17,479.82 | 31.68 % | 18.19 % |
| VAP.AX Vanguard Australian Property Securities Index Etf | 125.00 | 80.140000 | 10,017.50 | 83.12 | 10,390.00 | (372.50) | (3.59) % | 2.51 % |
| VGS.AX Vanguard Msci Index International Shares Etf | 310.00 | 69.500000 | 21,545.00 | 62.91 | 19,503.54 | 2,041.46 | 10.47 % | 5.39 % |
| | | | 124,316.28 | | 98,393.18 | 25,923.10 | 26.35 % | 31.13 % |
| | | | 399,381.30 | | 364,431.28 | 34,950.02 | 9.59 % | 100.00 % |

Minutes of a meeting of the Trustee(s)

held on 30 June 2018 at 2 Bloomsbury Street, Goodwood, South Australia 5034

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

Hong John Super Fund

Minutes of a meeting of the Trustee(s)

held on 30 June 2018 at 2 Bloomsbury Street, Goodwood, South Australia 5034

PDK Financial Synergy Pty Ltd

act as tax agents of the Fund for the next financial year.

TRUSTEE 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 s 120 of the SISA.

CONTRIBUTIONS RECEIVED:

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

CLOSURE:

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

There being no further business the meeting then closed.

Signed as a true record –

.....

Richard Lovell

Chairperson

Hong John Super Fund

Projected Investment Strategy

Overview

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

Investment Objectives

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

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

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

Investment Strategy

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

Asset Allocation

The targeted asset allocation will be in the following ranges:

| <u>Asset Class</u> | <u>Target Range</u> | <u>Benchmark</u> |
|------------------------------|---------------------|------------------|
| Australian Shares | 10 - 90 % | 88 % |
| International Shares | 0 - 0 % | 0 % |
| Cash | 5 - 50 % | 12 % |
| Australian Fixed Interest | 0 - 0 % | 0 % |
| International Fixed Interest | 0 - 0 % | 0 % |
| Mortgages | 0 - 0 % | 0 % |
| Direct Property | 0 - 0 % | 0 % |
| Listed Property | 0 - 0 % | 0 % |
| Other | 0 - 0 % | 0 % |

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

Insurance

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

Review and Monitoring

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

Date: 01/07/2017

.....
Richard Lovell

Hong John Super Fund

Projected Investment Strategy

.....
Jennifer Ma