

SOMERSET FINANCIAL SERVICES SUPERANNUATION FUND

Statement of Financial Position

As at 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Investments			
Fixtures and Fittings (at written down value) - Unitised	2	4,456.83	5,208.90
Real Estate Properties (Australian - Residential)	3	2,670,543.17	1,354,791.10
Units in Listed Unit Trusts (Australian)	4	1,069,906.60	1,055,704.30
Total Investments		<u>3,744,906.60</u>	<u>2,415,704.30</u>
Other Assets			
Sundry Debtors		0.00	4,027.86
NAB Business Cheque A/c		27,070.15	8,168.15
Distributions Receivable		29,588.12	27,221.07
Rent Receivable		4,354.94	0.00
Income Tax Refundable		163.14	0.00
Total Other Assets		<u>61,176.35</u>	<u>39,417.08</u>
Total Assets		<u>3,806,082.95</u>	<u>2,455,121.38</u>
Less:			
Liabilities			
Income Tax Payable		0.00	1,289.67
Sundry Creditors		1,716.00	0.00
Total Liabilities		<u>1,716.00</u>	<u>1,289.67</u>
Net assets available to pay benefits		<u>3,804,366.95</u>	<u>2,453,831.71</u>
Represented by:			
Liability for accrued benefits allocated to members' accounts	6, 7		
Somers, Ian - Accumulation		1,208,516.38	768,860.01
Somers, Ian - Pension (Account Based Pension)		734,377.81	475,911.26
Somers, Janice - Accumulation		0.00	2,759.20
Somers, Janice - Pension (Account Based Pension 2)		1,861,472.76	1,206,301.24
Total Liability for accrued benefits allocated to members' accounts		<u>3,804,366.95</u>	<u>2,453,831.71</u>

SOMERSET FINANCIAL SERVICES SUPERANNUATION FUND

Operating Statement

For the year ended 30 June 2022

	Note	2022	2021
		\$	\$
Income			
Investment Income			
Trust Distributions	9	59,176.24	54,442.14
Interest Received		1.06	0.43
Property Income	10	100,138.92	100,784.91
Investment Gains			
Changes in Market Values	11	1,329,954.37	176,363.30
Contribution Income			
Employer Contributions		0.00	2,959.00
Total Income		<u>1,489,270.59</u>	<u>334,549.78</u>
Expenses			
Accountancy Fees		3,872.00	3,872.00
Administration Costs		396.00	396.00
ATO Supervisory Levy		259.00	259.00
Auditor's Remuneration		1,320.00	1,320.00
ASIC Fees		56.00	55.00
Bank Charges		8.00	16.00
Depreciation		752.07	815.34
Property Expenses - Agents Management Fees		17,489.12	12,972.13
Property Expenses - Cleaning		16,399.89	17,720.02
Property Expenses - Council Rates		5,948.74	7,855.05
Property Expenses - Electricity		1,369.25	1,390.82
Property Expenses - Land Tax		1,647.80	1,562.80
Property Expenses - Repairs Maintenance		14,070.30	4,909.30
Property Expenses - Strata Levy Fees		21,109.25	19,877.66
Property Expenses - Sundry Expenses		153.00	4,423.25
Property Expenses - Water Rates		3,609.07	3,594.05
		<u>88,459.49</u>	<u>81,038.42</u>
Member Payments			
Pensions Paid		42,060.00	38,710.00
Benefits Paid/Transfers Out		6,000.00	0.00
Total Expenses		<u>136,519.49</u>	<u>119,748.42</u>
Benefits accrued as a result of operations before income tax		<u>1,352,751.10</u>	<u>214,801.36</u>
Income Tax Expense	12	2,215.86	2,381.67
Benefits accrued as a result of operations		<u>1,350,535.24</u>	<u>212,419.69</u>

SOMERSET FINANCIAL SERVICES SUPERANNUATION FUND

Notes to the Financial Statements

For the year ended 30 June 2022

Note 1: Summary of Significant Accounting Policies

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

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

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

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

a. Measurement of Investments

The fund initially recognises:

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

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

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

Market value has been determined as follows:

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

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

b. Cash and Cash Equivalents

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

c. Revenue

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

Interest revenue

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

SOMERSET FINANCIAL SERVICES SUPERANNUATION FUND

Notes to the Financial Statements

For the year ended 30 June 2022

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. 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: Fixtures and Fittings (at written down value) - Unitised

	2022 \$	2021 \$
The Emerald, Noosa - Air Conditioner	2,640.28	2,933.64
On the Beach, Maroochydore - Low Value Pool	118.77	190.03
The Emerald, Noosa - Carpet	597.57	663.97
The Emerald, Noosa - Kitchen Appliances	539.34	612.89
The Emerald, Noosa - Shower Screen	386.83	529.91
The Emerald, Noosa - Low Value Pool	174.04	278.46
	4,456.83	5,208.90

Note 3: Real Estate Properties (Australian - Residential)

2022 \$	2021 \$
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SOMERSET FINANCIAL SERVICES SUPERANNUATION FUND

Notes to the Financial Statements

For the year ended 30 June 2022

Unit 8 The Emerald, Noosa	1,895,661.94	894,981.13
Unit 8 On the Beach, Maroochydore	774,881.23	459,809.97
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	2,670,543.17	1,354,791.10
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Note 4: Units in Listed Unit Trusts (Australian)

	2022 \$	2021 \$
Carindale Property Trust	1,069,906.60	1,055,704.30
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	1,069,906.60	1,055,704.30
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Note 6: Liability for Accrued Benefits

	2022 \$	2021 \$
Liability for accrued benefits at beginning of year	2,453,831.71	2,241,412.02
Benefits accrued as a result of operations	1,350,535.24	212,419.69
Current year member movements	0.00	0.00
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Liability for accrued benefits at end of year	3,804,366.95	2,453,831.71
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Note 7: 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.

	2022 \$	2021 \$
Vested Benefits	3,804,366.95	2,453,831.71
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Note 8: Guaranteed Benefits

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

SOMERSET FINANCIAL SERVICES SUPERANNUATION FUND

Notes to the Financial Statements

For the year ended 30 June 2022

Note 9: Trust Distributions

	2022	2021
	\$	\$
Carindale Property Trust	59,176.24	54,442.14
	<u>59,176.24</u>	<u>54,442.14</u>

Note 10: Rental Income

	2022	2021
	\$	\$
Unit 8 The Emerald, Noosa	79,238.92	80,579.91
Unit 8 On the Beach, Maroochydore	20,900.00	20,205.00
	<u>100,138.92</u>	<u>100,784.91</u>

Note 11: Changes in Market Values Unrealised Movements in Market Value

	2022	2021
	\$	\$
Real Estate Properties (Australian - Residential)		
Unit 8 On the Beach, Maroochydore	315,071.26	114.02
Unit 8 The Emerald, Noosa	1,000,680.81	(3,646.52)
	<u>1,315,752.07</u>	<u>(3,532.50)</u>
Units in Listed Unit Trusts (Australian)		
Carindale Property Trust	14,202.30	179,895.80
	<u>14,202.30</u>	<u>179,895.80</u>
Total Unrealised Movement	<u>1,329,954.37</u>	<u>176,363.30</u>
Realised Movements in Market Value		
	2022	2021
	\$	\$
Total Realised Movement	<u>0.00</u>	<u>0.00</u>
Total Market Movement	<u>1,329,954.37</u>	<u>176,363.30</u>

Note 12: Income Tax Expense

	2022	2021
	\$	\$
The components of tax expense comprise		
Current Tax	2,215.86	2,381.67
	<u>2,215.86</u>	<u>2,381.67</u>

SOMERSET FINANCIAL SERVICES SUPERANNUATION FUND

Notes to the Financial Statements

For the year ended 30 June 2022

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%	202,912.67	32,220.20
Less:		
Tax effect of:		
Increase in MV of Investments	199,493.16	26,454.50
Exempt Pension Income	16,046.10	14,069.40
Accounting Trust Distributions	8,876.44	8,166.32
Tax Adjustment - Capital Works Expenditure (D1)	188.70	372.00
Add:		
Tax effect of:		
SMSF Non-Deductible Expenses	9,026.85	8,326.50
Pension Payments	6,309.00	5,806.50
Benefit Payments	900.00	0.00
Franking Credits	123.70	35.22
Taxable Trust Distributions	8,372.33	5,290.06
Rounding	0.35	0.19
Income Tax on Taxable Income or Loss	3,040.50	2,616.45
Less credits:		
Franking Credits	824.64	234.78
Current Tax or Refund	2,215.86	2,381.67