

**FREEMAN-SPARROW SUPERANNUATION FUND**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2022**

**Crase Consulting  
Group Pty Ltd**

Chartered Accountants  
and Business Advisors  
ACN 008 158 370

Level 4  
20 Grenfell Street  
Adelaide SA 5000

Tel +61 8 8231 1888  
Fax +61 8 8231 3888  
admin@crase.com.au

[www.crase.com.au](http://www.crase.com.au)

Liability limited by  
a scheme approved  
under Professional  
Standards Legislation

# FREEMAN-SPARROW SUPERANNUATION FUND

## TABLE OF CONTENTS

<b>FINANCIAL STATEMENTS</b>	<b><i>Page</i></b>
Operating statement	1
Statement of financial position	2
Notes to and forming part of the financial statements	3
Statement by trustees	8
Member's statements	9
Investment policy statement	11

## FREEMAN-SPARROW SUPERANNUATION FUND

### OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
<b>REVENUE</b>			
Employer contributions			
Michael Sparrow		-	1,863
Susan Freeman		4,973	10,202
Member contributions			
Michael Sparrow		3,000	-
Susan Freeman		12,000	14,000
Dividends received		63,774	34,710
Trust distributions received			
S&P Biotech		8	-
VanEck Global Healthcare		120	80
Profit/(loss) on sale of investments		(6,803)	19,901
Increase/(decrease) in market values of investments	3	(108,834)	223,035
Interest received		7	42
<b>Total income</b>		(31,755)	303,833
<b>EXPENSES</b>			
Accountancy fees		2,145	1,958
Audit fees		550	418
Supervisory levy		259	259
<b>Total expenses</b>		2,954	2,635
<b>BENEFITS ACCRUED AS A RESULT OF OPERATIONS BEFORE INCOME TAX</b>		(34,709)	301,198
Income tax expense	2	7,551	1,122
<b>BENEFITS ACCRUED AS A RESULT OF OPERATIONS</b>		(27,158)	302,320

## FREEMAN-SPARROW SUPERANNUATION FUND

### STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	2022 \$	2021 \$
<b>CURRENT ASSETS</b>			
Cash at bank		40,265	87,169
Sundry debtors		128	43
<b>TOTAL CURRENT ASSETS</b>		<u>40,393</u>	<u>87,212</u>
<b>NON-CURRENT ASSETS</b>			
Shares in listed companies and trusts (at market values)	4	1,110,172	1,107,722
Units in Listed Unit Trust (at market values)	4	33,241	22,620
<b>TOTAL NON-CURRENT ASSETS</b>		<u>1,143,413</u>	<u>1,130,342</u>
<b>TOTAL ASSETS</b>		<u>1,183,806</u>	<u>1,217,554</u>
<b>LIABILITIES</b>			
Provision for income tax	5	(7,811)	(1,221)
<b>TOTAL LIABILITIES</b>		<u>(7,811)</u>	<u>(1,221)</u>
<b>NET ASSETS AVAILABLE TO PAY BENEFITS</b>		<u>1,191,617</u>	<u>1,218,775</u>
<i>Represented by:</i>			
<b>LIABILITY FOR ACCRUED MEMBERS' BENEFITS</b>			
Allocated to members' accounts	6	1,191,617	1,218,775
		<u>1,191,617</u>	<u>1,218,775</u>

## **FREEMAN-SPARROW SUPERANNUATION FUND**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

#### **NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The trustees have prepared the financial statements on the basis that the fund is a non reporting entity because there are no users dependent on general purpose financial reports. The financial report is therefore a special purpose financial report in order to meet the needs of members.

The financial report has been prepared in accordance with the significant accounting policies disclosed below, which the trustees have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the prior period unless stated otherwise.

The financial statements are prepared on an accruals basis.

The accounting policies that have been adopted in preparation of the report are as follows:

**(a) Measurement of investments**

Investments of the fund have been measured at net market values after allowing for costs of realisation. Changes in the net market value of assets are brought to account in the operating statement in the periods in which they occur.

Net market values have been determined as follows:

- (i) Shares and other securities listed on the Australian Stock Exchange by reference to the relevant market quotation at the reporting date;
- (ii) Mortgage loans by reference to the outstanding principal of the loans;
- (iii) Units in managed funds by reference to the unit redemption price at the reporting date;
- (iv) Insurance policies by reference to the surrender value of the policy;
- (v) Investment properties, plant and equipment at trustees' assessment of their realisable value.

**(b) Liability for accrued benefits**

The liability for accrued benefits is the superannuation 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 sundry liabilities and income tax liabilities as at the reporting date.

## **FREEMAN-SPARROW SUPERANNUATION FUND**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

**(c) Income tax**

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

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantively enacted, as at reporting date. 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.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Any deferred income tax arising from market revaluations of investments are not recognised until a decision to sell the investment is made.

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 liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects 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.

## FREEMAN-SPARROW SUPERANNUATION FUND

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
<b>NOTE 2 INCOME TAX EXPENSE</b>		
Prima facie tax payable on operating result before income tax at 15%	(5,206)	45,180
Adjust for tax effect of:-		
Gross up of imputation credits	3,470	1,740
Trust distribution - tax	9	-
Decrease/(increase) in market values of investments	16,325	(33,455)
	<u>14,598</u>	<u>13,465</u>
Less:		
Accounting (profit)/loss on sale	1,020	(2,985)
Accounting trust distributions	(19)	-
Imputation credits	(23,150)	(11,602)
	<u>(7,551)</u>	<u>(1,122)</u>
<i>The income tax expense comprises amounts set aside to:</i>		
Current tax	(7,551)	(1,122)
	<u>(7,551)</u>	<u>(1,122)</u>

### NOTE 3 MOVEMENT IN NET MARKET VALUES OF INVESTMENTS

Increase/(Decrease) in value of shares in listed companies and trusts		
AGL Energy Limited	132	(13,275)
Alumina Limited	(2,318)	160
Arcor PLC	6,693	1,495
ANZ Banking Group	(18,360)	28,530
ASX	3,400	(6,519)
Aristocrate Leisure	371	-
Avita Therapeutics	(6,720)	(1,349)
BHP Billiton	(5,856)	10,200
Boral Limited	(7,385)	12,460
Brambles Limited	(2,263)	1,767
Betashares Global Healthcare	(300)	-
Computershare	15,480	7,300
Crown	-	5,600
S&P Biotech	(7,368)	-
CSL Limited	(1,613)	1,150
Endeavour Group	1,536	5,705
Global Agriculture	1,014	-
MFF Capital Investments	(11,558)	2,932

## FREEMAN-SPARROW SUPERANNUATION FUND

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
<b>NOTE 3 MOVEMENT IN NET MARKET VALUES OF INVESTMENTS (Cont.)</b>		
National Australia Bank	4,940	33,776
Nine Entertainment Co	(14,105)	18,528
Oil Search	-	5,545
Pendal Group (formerly BTT)	(13,104)	4,799
Reliance Worldwide Corp	(14,047)	26,712
Rio Tinto	(35,910)	43,020
Santos	7,333	-
Southern Cross Media	(12,890)	-
Suncorp	(125)	-
VanEck Global Healthcare	(2,280)	1,812
Westpac	(13,169)	16,404
Woodside Energy	13,782	784
Woolworths	(3,036)	2,863
Worley Limited	8,892	12,636
<b>TOTAL CHANGES IN NET MARKET VALUES</b>	<u>(108,834)</u>	<u>223,035</u>

### NOTE 4 INVESTMENTS

Shares in listed companies		
AGL Energy Limited	23,100	12,300
Alumina Limited	21,975	13,160
Amcor PLC	41,492	34,799
ANZ Banking Group	66,090	84,450
ASX	69,454	66,053
Aristocrate Leisure	17,190	-
Avita Therapeutics	2,432	9,153
BHP Billiton	33,000	38,856
Boral Limited	9,065	25,725
Brambles Limited	33,201	35,464
Betashares Global Healthcare	22,530	-
Computershare	49,280	33,800
Crown	-	29,775
CSL	26,906	28,519
Endeavour Group	9,084	7,548
Global Agriculture	21,570	-
MFF Capital Investments	38,123	49,680
National Australia Bank	115,640	110,701
Nine Entertainment Co	23,725	37,830
Oil Search	-	33,010
Pendal Group (formerly BTT)	15,912	29,016



## FREEMAN-SPARROW SUPERANNUATION FUND

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
<b>NOTE 4 INVESTMENTS (Cont.)</b>		
Shares in listed companies (cont.)		
Reliance Worldwide Corp	46,517	60,564
Rio Tinto	154,050	189,960
Santos	40,343	-
Southern Cross Media	13,930	-
Suncorp	27,450	-
Westpac	40,697	53,865
Woodside Petroleum	49,160	31,094
Woolworths	42,720	45,756
Worley Limited	55,536	46,644
	<u>1,110,172</u>	<u>1,107,722</u>
Units in Listed Unit Trusts		
S&P Biotech	12,901	-
VanEck Global Healthcare	20,340	22,620
	<u>33,241</u>	<u>22,620</u>
<b>NOTE 5 PROVISIONS</b>		
Provision for income tax		
Opening balance	(1,221)	(604)
Income tax paid	1,221	604
	<u>-</u>	<u>-</u>
Current year provision	(7,551)	(1,122)
TFN Withholding	(260)	(99)
Closing balance	<u>(7,811)</u>	<u>(1,221)</u>
<b>NOTE 6 MEMBERS' FUNDS</b>		
Balance at the beginning of the year	1,218,775	916,455
Add: Benefits accrued as a result of operations	(27,158)	302,320
Benefits accrued at the end of the period	<u>1,191,617</u>	<u>1,218,775</u>

## FREEMAN-SPARROW SUPERANNUATION FUND

### TRUSTEES' DECLARATION

The trustees have determined that the fund is not a reporting entity. The trustees have determined that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to these financial statements.

In the opinion of the trustees:

- (i) The financial statements and notes to the financial statements for the year ended 30 June 2022 present fairly the financial position of the Superannuation Fund at 30 June 2022 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 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 during the year ended 30 June 2022.

Signed in accordance with a resolution of the trustees by:



.....  
Michael Sparrow



.....  
Susan Freeman

Dated 15 June 2023

## FREEMAN-SPARROW SUPERANNUATION FUND

### MEMBERS STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
<b>Michael Sparrow</b>		
<i>Date of birth</i>	<i>30 January 1963</i>	
Balance at beginning of the year	708,067	541,075
Employer contributions	-	1,863
Member contributions	3,000	-
Allocated earnings	(31,768)	162,438
Income tax expense on earnings	5,677	2,691
Balance at end of year	<u>684,976</u>	<u>708,067</u>
The above balance at the end of the year comprises:		
Withdrawal benefit which must be preserved	684,641	708,064
Withdrawal benefit which is restricted non-preserved	335	3
	<u>684,976</u>	<u>708,067</u>
Taxable component	<u>684,976</u>	<u>708,067</u>
	<u>684,976</u>	<u>708,067</u>

#### **Withdrawal Benefit**

Your withdrawal benefit is the amount you are entitled to on resignation or retirement and represents the sum of :

- member contributions
  - superannuation guarantee contributions
  - award contributions
  - other employer contributions made on your behalf
- and earnings (after income tax) associated with the above contributions.

The preserved portion of your withdrawal benefit is the amount which cannot be paid out until you permanently retire from the workforce on or after age 55. The preservation age is to be increased from 55 to 60, on a phased in basis, by 2025.

## FREEMAN-SPARROW SUPERANNUATION FUND

### MEMBERS STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
<b>Susan Freeman</b>		
<i>Date of birth</i>	<i>29 June 1958</i>	
Balance at beginning of the year	510,708	375,380
Employer contributions	4,973	10,202
Member contributions	12,000	14,000
Allocated earnings	(22,913)	112,695
Income tax expense on earnings	1,873	(1,569)
Balance at end of year	<u>506,641</u>	<u>510,708</u>
The above balance at the end of the year comprises:		
Withdrawal benefit which must be preserved	483,864	487,076
Withdrawal benefit which is restricted non-preserved	21,816	22,635
Withdrawal benefit which is unrestricted non-preserved	961	997
	<u>506,641</u>	<u>510,708</u>
Tax free component	15,990	15,990
Taxable component	490,651	494,718
	<u>506,641</u>	<u>510,708</u>

#### Withdrawal Benefit

Your withdrawal benefit is the amount you are entitled to on resignation or retirement and represents the sum of :

- member contributions
  - superannuation guarantee contributions
  - award contributions
  - other employer contributions made on your behalf
- and earnings (after income tax) associated with the above contributions.

The preserved portion of your withdrawal benefit is the amount which cannot be paid out until you permanently retire from the workforce on or after age 55. The preservation age is to be increased from 55 to 60, on a phased in basis, by 2025.

#### Superannuation Contributions Surcharge

The cost of the superannuation contributions surcharge, if any, relating to your surchargeable contributions are deductible from your member's account at the time of receipt of an assessment from the Australian Taxation Office.

# FREEMAN-SPARROW SUPERANNUATION FUND

## INVESTMENT POLICY STATEMENT

### 1 Membership profile

The fund has the following number of members	2
The members are	Partners
The members are aged	59 to 64

It is not intended that other members will be admitted to the Fund. The current intention is for each of the members to receive a retirement benefit at age 60 or later when they intend retiring from the workforce.

### 2 Benefit design

The benefits provided by the aforementioned superannuation fund ("*the Fund*") principally consist of accumulation benefits. These are based on accumulated net contributions and interest on them.

The Trustee invests Fund assets with regard to the need to realise the investments when the members plan to retire for the purpose of paying benefits by lump sum or allocated pension, as the Trustee decides.

### 3 Future contributions

The members intend to contribute to the Fund as much as their annual earnings permit after taking into account amounts set aside for living expenses and other business activities. Consequently, members will be relying predominantly on investment returns of the Fund to produce benefits for their retirement.

### 4 Investment risk

Members bear the investment risk and rewards. Returns for the Fund's investments are added to members' accounts.

### 5 Investment objectives

The Fund's overall investments objective is to maximise investment return over the medium term to long term, while controlling the investment risk by investing across the range of asset classes. Specifically the Trustee intends:

- to achieve investment returns which exceed the rate of inflation (as measured by the change in the level of Average Weekly Earnings) by at least 2% per annum over periods of 5 years or more;
- to achieve an investments return (net of tax and charges) that exceeds cash rates where measured on a rolling 5 year basis.

Investment performance is monitored regularly.

## FREEMAN-SPARROW SUPERANNUATION FUND

### INVESTMENT POLICY STATEMENT *continued*

#### 6 Fund policy

- The Trustee will seek to maximise returns by following a growth oriented approach to investments, which means that investment in shares and/or property and/or trusts will be an integral part of the Fund's strategy. An occasional negative return may not be avoidable in order to secure the longer term benefits provided by such growth investments.
  
- The Trustee may retain the services of at least one professional portfolio manager who will have full responsibility for the investment of the assets. Any manager appointed will be expected to display the skills and expertise of a professional fully discretionary portfolio manager with investments objectives compatible with those of the Fund and to meet the requirements for investment managers under the Superannuation Industry (Supervision) Act 1993.

#### 7 Insurance

The trustees have determined that it remains appropriate for the Fund not to hold insurance policies for the members.

#### 8 Liquidity

The trustees are of the belief the fund has sufficient liquid investments having regard to its expected cash flow requirements.

#### 9 Ability to discharge liabilities

The trustees are of the belief the fund is capable of discharging its existing and prospective liabilities as and when they fall due.

Confirmed.



.....  
Michael Sparrow



.....  
Susan Freeman

Dated 15 June 2023