

FREEMAN-SPARROW SUPERANNUATION FUND

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2021**

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FREEMAN-SPARROW SUPERANNUATION FUND

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FREEMAN-SPARROW SUPERANNUATION FUND

OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
REVENUE			
Employer contributions			
Michael Sparrow		1,863	5,168
Susan Freeman		10,202	19,011
Member contributions			
Michael Sparrow		-	10,000
Susan Freeman		14,000	5,980
Dividends received			
AGL Energy Limited		1,380	705
Alumina Limited		604	445
Amcor PLC		1,446	1,180
ANZ Limited		1,800	4,067
ASX Limited		1,997	3,681
BHP Billiton Ltd		1,653	1,705
Boral Limited		-	332
Brambles Limited		794	1,391
Computershare Limited		920	920
Crown Limited		-	1,801
CSL Limited		135	-
Medibank Private		-	369
MFF Capital Investments		1,035	4,226
National Australia Bank Limited		2,257	4,723
Netwealth Group Limited		-	172
Nine Entertainment Co		1,050	-
Oil Search		56	782
Pandal Group (formerly BTT)		1,341	906
QBE Insurance		-	575
Reliance Worldwide Corp		1,497	576
Rio Tinto Limited		11,004	9,860
Telstra Corporation		-	400
TPG Telecom		-	92
Westpac Banking Corporation		1,857	1,670
Woodside		722	921
Woolworths Limited		1,212	1,236
Worley Limited		1,950	1,000
Trust distributions received			
VanEck Global Healthcare		80	-
Profit/(loss) on sale of investments		19,901	770
Increase/(decrease) in market values of investments	3	223,035	(189,941)
Interest received		42	732
Total income		<u>303,833</u>	<u>(104,545)</u>

FREEMAN-SPARROW SUPERANNUATION FUND

OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021	2020
		\$	\$
EXPENSES			
Accountancy fees		1,958	1,925
Audit fees		418	418
Bank charges		-	25
Supervisory levy		259	259
Total expenses		<u>2,635</u>	<u>2,627</u>
BENEFITS ACCRUED AS A RESULT OF OPERATIONS BEFORE INCOME TAX		301,198	(107,172)
Income tax expense	2	1,122	604
BENEFITS ACCRUED AS A RESULT OF OPERATIONS		<u>302,320</u>	<u>(106,568)</u>

FREEMAN-SPARROW SUPERANNUATION FUND

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
CURRENT ASSETS			
Cash at bank		87,169	35,248
Sundry debtors		43	-
TOTAL CURRENT ASSETS		87,212	35,248
NON-CURRENT ASSETS			
Shares in listed companies and trusts (at market values)	4	1,107,722	880,603
Units in Listed Unit Trust (at market values)	4	22,620	-
TOTAL NON-CURRENT ASSETS		1,130,342	880,603
TOTAL ASSETS		1,217,554	915,851
LIABILITIES			
Provision for income tax	5	(1,221)	(604)
TOTAL LIABILITIES		(1,221)	(604)
NET ASSETS AVAILABLE TO PAY BENEFITS		1,218,775	916,455
 <i>Represented by:</i>			
LIABILITY FOR ACCRUED MEMBERS' BENEFITS			
Allocated to members' accounts	6	1,218,775	916,455
		1,218,775	916,455

FREEMAN-SPARROW SUPERANNUATION FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 2021

(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 2021

	2021 \$	2020 \$
NOTE 2 INCOME TAX EXPENSE		
Prima facie tax payable on operating result before income tax at 15%	45,180	(16,076)
Adjust for tax effect of:-		
Gross up of imputation credits	1,740	2,277
Decrease/(increase) in market values of investments	(33,455)	28,491
	<u>13,465</u>	<u>14,692</u>
Less:		
Accounting (profit)/loss on sale	(2,985)	(115)
Imputation credits	(11,602)	(15,181)
	<u>(1,122)</u>	<u>(604)</u>
<i>The income tax expense comprises amounts set aside to:</i>		
Current tax	(1,122)	(604)
	<u>(1,122)</u>	<u>(604)</u>

NOTE 3 MOVEMENT IN NET MARKET VALUES OF INVESTMENTS

Increase/(Decrease) in value of shares in listed companies and trusts		
AGL Energy Limited	(13,275)	(5,308)
Alumina Limited	160	(5,543)
Arcor PLC	1,495	825
ANZ Banking Group	28,530	(27,277)
ASX	(6,519)	2,559
Auckland International Airport	-	(260)
Avita Therapeutics	(1,349)	-
BHP Billiton	10,200	(4,272)
Boral Limited	12,460	(2,999)
Brambles Limited	1,767	(1,274)
Computershare	7,300	(5,920)
Crown	5,600	(9,667)
CSL Limited	1,150	-
Endeavour Group	5,705	-
Flight Centre Travel Group Limited	-	(20,021)
MFF Capital Investments	2,932	(3,277)
National Australia Bank	33,776	(23,607)
Nine Entertainment Co	18,528	-
Oil Search	5,545	(22,192)
Pendal Group (formerly BTT)	4,799	(4,276)
Reliance Worldwide Corp	26,712	(6,678)
Rio Tinto	43,020	(8,700)

FREEMAN-SPARROW SUPERANNUATION FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
NOTE 3 MOVEMENT IN NET MARKET VALUES OF INVESTMENTS (Cont.)		
VanEck Global Healthcare	1,812	-
Westpac	16,404	(21,726)
Woodside Petroleum	784	(10,994)
Woolworths	2,863	4,860
Worley Limited	12,636	(14,194)
TOTAL CHANGES IN NET MARKET VALUES	<u>223,035</u>	<u>(189,941)</u>

NOTE 4 INVESTMENTS

Shares in listed companies		
AGL Energy Limited	12,300	25,575
Alumina Limited	13,160	13,000
Amcor PLC	34,799	33,304
ANZ Banking Group	84,450	55,920
ASX	66,053	72,573
Auckland International Airport	-	30,800
Avita Therapeutics	9,153	-
BHP Billiton	38,856	28,656
Boral Limited	25,725	13,265
Brambles Limited	35,464	33,697
Computershare	33,800	26,500
Crown	29,775	33,845
CSL	28,519	-
Endeavour Group	7,548	-
Flight Centre Group Limited	-	13,388
MFF Capital Investments	49,680	46,748
National Australia Bank	110,701	76,925
Nine Entertainment Co	37,830	-
Oil Search	33,010	27,465
Pendal Group (formerly BTT)	29,016	21,635
Reliance Worldwide Corp	60,564	33,851
Rio Tinto	189,960	146,940
Westpac	53,865	37,462
Woodside Petroleum	31,094	30,310
Woolworths	45,756	44,736
Worley Limited	46,644	34,008
	<u>1,107,722</u>	<u>880,603</u>
Units in Listed Unit Trusts		
VanEck Global Healthcare	22,620	-
	<u>22,620</u>	<u>-</u>

FREEMAN-SPARROW SUPERANNUATION FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
NOTE 5 PROVISIONS		
Provision for income tax		
Opening balance	(604)	(913)
Income tax paid	604	913
	<u>-</u>	<u>-</u>
Current year provision	(1,122)	(604)
TFN Withholding	(99)	-
Closing balance	<u>(1,221)</u>	<u>(604)</u>
NOTE 6 MEMBERS' FUNDS		
Balance at the beginning of the year	916,455	1,023,023
Add: Benefits accrued as a result of operations	302,320	(106,568)
Benefits accrued at the end of the period	<u>1,218,775</u>	<u>916,455</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 2021 present fairly the financial position of the Superannuation Fund at 30 June 2021 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 2021.

Signed in accordance with a resolution of the trustees by:



Michael Sparrow





Susan Freeman



Dated 10 February 2022

FREEMAN-SPARROW SUPERANNUATION FUND

MEMBERS STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
Michael Sparrow		
Date of birth	30 January 1963	
Balance at beginning of the year	541,075	612,410
Employer contributions	1,863	5,168
Member contributions	-	10,000
Allocated earnings	162,438	(88,196)
Income tax expense on earnings	2,691	1,693
Balance at end of year	<u>708,067</u>	<u>541,075</u>
The above balance at the end of the year comprises:		
Withdrawal benefit which must be preserved	708,064	541,072
Withdrawal benefit which is restricted non-preserved	3	3
	<u>708,067</u>	<u>541,075</u>
Taxable component	708,067	541,075
	<u>708,067</u>	<u>541,075</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 2021

	2021	2020
	\$	\$
Susan Freeman		
Date of birth	29 June 1958	
Balance at beginning of the year	375,380	410,613
Employer contributions	10,202	19,011
Member contributions	14,000	5,980
Allocated earnings	112,695	(59,135)
Income tax expense on earnings	(1,569)	(1,089)
Balance at end of year	<u>510,708</u>	<u>375,380</u>
The above balance at the end of the year comprises:		
Withdrawal benefit which must be preserved	487,076	357,280
Withdrawal benefit which is restricted non-preserved	22,635	17,336
Withdrawal benefit which is unrestricted non-preserved	997	764
	<u>510,708</u>	<u>375,380</u>
Tax free component	15,990	15,990
Taxable component	494,718	359,390
	<u>510,708</u>	<u>375,380</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	58 to 63

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.

FREEMAN-SPARROW SUPERANNUATION FUND

AUDIT REPORT

SELF MANAGED SUPERANNUATION FUND

Name of auditor

Business name

Address of auditor

SMSF auditor number

Name of SMSF Freeman-Sparrow Superannuation Fund

ABN of SMSF 24 247 936 596

Address of SMSF 15 Vintage Grove, Gulfview Heights

Year of income being audited 2021