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# The AV Rice Super Fund

## Notes to the Financial Statements

### As at 30 June 2022

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#### **Note 1 - Statement of Significant Accounting Policies**

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements. They have been consistently applied in the current and previous periods unless otherwise stated to ensure the financial information satisfies the concept of relevance and reliability.

##### **(a) Statement of Compliance**

The trustees have prepared the financial statements on the basis that the superannuation fund is a non-reporting entity because the members are able to command the preparation of tailored reports so as to satisfy specifically all of their information needs and there are no other users dependent on the financial statements. The financial statements are therefore special purpose financial statements that have been prepared in accordance with the legislative requirements of the *Superannuation Industry (Supervision) Act 1993* and *Regulations 1994* and the provisions of the Trust Deed. The trustees have determined that the accounting policies adopted are appropriate to meet their needs.

##### **(b) Basis of Preparation**

The financial statements have been prepared on a cash basis using historical costs convention unless stated otherwise. For investments and financial liabilities, they are measured at market values.

The financial statements are presented in Australian dollars, which is the functional currency of the fund.

##### **(c) Use of Accounting Estimates and Judgments**

The preparation of financial statements requires the trustees to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. 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.

##### **(d) Cash and Cash Equivalents**

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

##### **(e) Foreign Currency**

Any foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Exchange differences are recognised in the operating statement in the period in which they arise.

##### **(f) Valuation of Assets**

###### *Investment*

An investment is initially recognised when as a result of past transactions or events, the Fund controls the future economic benefits expected to flow from the asset.

The investment assets are firstly recorded at cost, being the fair value of the consideration given. After initial recognition, they are measured at market value. Gains or losses arising from changes in market value are recognised on the Operating Statement in the periods in which they occur.

Market value as defined in s10 of *SISA 1993*, in relation to an asset, means the amount that a willing buyer of the asset could reasonably be expected to pay to acquire the asset from a willing seller if the following assumptions were made:

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

As disposal costs are generally immaterial unless otherwise stated, market value approximates fair value.

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Market values for various types of investment have been determined as follows:

- i. listed securities, government and other fixed interest securities for which there is a readily available market quotation, the valuation is recorded as the last quoted sale price as at the close of business on reporting date. If the listed securities are foreign, they are also converted to Australian dollars using the exchange rate at the close of business on the reporting date;
- ii. unit trusts and managed funds are stated by reference to the unit redemption price quoted by the fund manager at the end of the reporting period;
- iii. unlisted investments are stated at the Trustees' valuation based on estimated market value at balance date; or where necessary, upon external valuers' expert opinions;
- iv. Investment properties are carried at market value and are held for the purpose of generating long-term rental yields and capital appreciation. The Trustees give consideration to the value of the investment property each financial year and revalue when a significant event occurs or when deemed appropriate. Where an external valuation has been obtained, the valuation is based on objective and supportable data and has been carried out by a property valuation service provider or qualified independent valuer as appropriate.

#### *Financial Liabilities*

The Fund initially recognises a financial liability on the date it becomes a party to the contractual provisions of the instrument.

Financial liabilities including credit balances of hedging instruments and derivatives are measured at market values as at the reporting date. Any change in market values of the financial liabilities since the beginning of the reporting period shall be included in the profit or loss for the reporting period. As disposal costs are generally immaterial, unless otherwise stated, market value approximates fair value.

#### *Receivables and Payables*

Current assets such as accounts receivable, which are expected to be recovered within twelve months after the reporting period, are carried at nominal amounts which approximate the fair values.

Accounts payable are recognised when the Fund becomes obliged to make future payments resulting from the goods and services received, whether or not billed to the Fund and are carried at nominal amounts which are equivalent to fair values.

### **(g) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable. The following recognition criteria relate to the specific items of revenue the Fund receives:

#### *Interest*

The interest revenue is recognised by the Fund on a cash receipt basis, unless the Fund chooses the accrual method and the amount can be reliably measured by reference to the principal outstanding and using the effective interest rate of the instrument calculated at the acquisition or origination date.

#### *Dividend Revenue*

The entitlement to a dividend is based on the date the shares are quoted ex-dividend; the actual dividend revenue is recognised by the Fund when it is received.

#### *Distribution Revenue*

Distributions from unit trusts and managed funds are recognised as at the date the unit value is quoted ex-distributions 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.

#### *Rental Income*

Rent from investment properties is recognised by the Fund on a cash receipt basis.

#### *Movement in market values*

Changes in the market value of investments are determined as the difference between the market value at balance date or consideration received (if sold during the year) and the market value as at the prior year end or cost (if the investment was acquired during the period). All movements are recognised in the Operating Statement.

#### *Contributions and Rollovers In*

Contributions and rollovers in are recognised when the control and the benefits from the revenue have been attained and are recorded by the Fund, gross of any taxes, in the period to which they relate.

**The AV Rice Super Fund**  
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**(h) Income Tax**

The income tax on the benefits accrued as a result of operations for the year comprises current and deferred tax. Income tax expense is recognised in the Operating Statement.

Current income tax expense is calculated by reference to the amount of income taxes payable in respect of the taxable income for the year using tax rates enacted or substantively enacted by reporting date and any adjustment to tax payable in respect of previous years. 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 any unused tax losses.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the assets are realised or the liabilities are settled and their measurements also reflect the manner in which the Trustees expect to recover or settle the carrying amounts of the related assets or liabilities.

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 assets can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent it is no longer probable that the related tax benefits will be realised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Deferred tax assets and liabilities are offset when a legally enforceable right of set-off exists, they relate to income taxes levied by the same taxation authority and the fund intends to settle the tax assets and liabilities on a net basis in future when they are realised.

The financial report was authorised for issue on 14 October 2022 by the directors of the trustee company.

**Note 2 – 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. Changes in the Liability for Accrued Benefits are as follows:

	<b>Current</b>	<b>Previous</b>
<b>Liability for Accrued Benefits at beginning of period</b>	643,002.85	535,665.55
Benefits Accrued during the period	(38,976.82)	107,337.30
Benefits Paid during the period	0.00	0.00
<b>Liability for Accrued Benefits at end of period</b>	<b>604,026.03</b>	<b>643,002.85</b>

Any amount in the Unallocated Contributions account represent amounts that have been received by the fund from either the members of the fund or a third party but have not been allocated to any specific member as at the reporting date. It is the intention of the trustee to allocate any such amounts recorded as unallocated contributions within 28 days following the end of the month to specific fund member, which will increase the liability for members accrued benefits.

**Note 3 – Vested Benefits**

Vested benefits are benefits which 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 reporting period.

	<b>Current</b>	<b>Previous</b>
<b>Vested Benefits at beginning of period</b>	643,002.85	535,665.55
Benefits Accrued during the period	(38,976.82)	107,337.30
Benefits Paid during the period	0.00	0.00
<b>Vested Benefits at end of period</b>	<b>604,026.03</b>	<b>643,002.85</b>

**The AV Rice Super Fund**  
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**Note 4 – Guaranteed Benefits**

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

**Note 5 – Funding Arrangements**

No fixed funding arrangements were in place for the Fund as at year end.

**Note 6A – Managed Investments**

	<b>Current</b>	<b>Previous</b>
At market value:		
AB Global Equities Fund	1,790.90	2,008.54
AB Managed Volatility Equities Fund - MVE Class	1,170.62	1,165.97
Allan Gray Australia Equity Fund - Class A	488.82	620.87
Antipodes Global Fund - (Class P)	923.96	992.97
Bennelong ex-20 Australian Equities Fund	637.82	777.58
Colchester Global Government Bond Fund - Class I	1,211.62	1,264.52
Eiger Australian Small Companies Fund	432.72	539.90
Fidelity Australian Equities Fund	890.71	1,507.80
GQG Partners Global Equity Fund - A Class	772.83	817.29
Partners Group Global Multi-Asset Fund	1,455.58	1,553.75
PIMCO Global Bond Fund - Wholesale Class	1,231.23	1,315.45
SMALON04S Fulcrum Diversified Investments Fund	1,078.80	793.91
SMALON04S Ironbark Royal London Concentrated Global Share Fund	1,301.75	1,420.40
SMALON04S Janus Henderson Global Multi-Strategy Fund	1,061.05	796.53
SMALON04S Janus Henderson Tactical Income Fund	842.45	908.71
SMALON04S Macquarie Income Opportunities Fund	1,516.11	1,559.99
SMALON04S Magellan Infrastructure Fund	1,351.69	1,251.12
SMALON04S Pandal Fixed Interest Fund	0.00	1,428.57
SMALON04S Resolution Capital Global Property Securities Fund	1,183.62	1,284.35
SMALON04S Schroder Fixed Income Fund - Wholesale Class	1,337.52	0.00
SMALON04S Zurich Investments - Australian Property Securities Fund	689.55	791.81
SMALON05S AB Global Equities Fund	1,787.82	2,003.15
SMALON05S AB Managed Volatility Equities Fund - MVE Class	1,558.11	1,551.78
SMALON05S Allan Gray Australia Equity Fund - Class A	799.35	991.20
SMALON05S Antipodes Global Fund - (Class P)	1,156.11	1,239.90
SMALON05S Bennelong ex-20 Australian Equities Fund	743.74	904.10
SMALON05S CC RWC Global Emerging Markets Fund	1,194.10	1,587.32
SMALON05S Eiger Australian Small Companies Fund	585.35	944.43
SMALON05S Fidelity Australian Equities Fund	1,081.11	1,623.78
SMALON05S Fulcrum Diversified Investments Fund	1,283.74	792.18
SMALON05S GQG Partners Global Equity Fund - A Class	1,288.29	1,360.39
SMALON05S Ironbark Royal London Concentrated Global Share Fund	1,537.25	1,676.72
SMALON05S Janus Henderson Global Multi-Strategy Fund	1,167.00	794.48
SMALON05S Macquarie Income Opportunities Fund	487.53	518.71
SMALON05S Magellan Infrastructure Fund	1,504.05	1,247.28
SMALON05S Partners Group Global Multi-Asset Fund	1,658.42	1,808.13
SMALON05S Pandal Fixed Interest Fund	0.00	647.27
SMALON05S PIMCO Global Bond Fund - Wholesale Class	702.68	787.68
SMALON05S Resolution Capital Global Property Securities Fund	1,267.19	1,280.65
SMALON05S Schroder Fixed Income Fund - Wholesale Class	590.78	0.00
SMALON05S Zurich Investments - Australian Property Securities Fund	918.24	1,054.40
	<b>42,680.21</b>	<b>45,613.58</b>

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**Note 6B – Shares in Listed Companies**

	<b>Current</b>	<b>Previous</b>
At market value:		
SMALON04S ETFS Metal Securities Australia Limited. - ETFS Physical GOLD	980.00	874.92
SMALON05S ETFS Metal Securities Australia Limited. - ETFS Physical GOLD	980.00	874.92
	<b>1,960.00</b>	<b>1,749.84</b>

**Note 6C – Units In Listed Unit Trusts**

	<b>Current</b>	<b>Previous</b>
At market value:		
SMALON04S Ishares S&P/ASX 20 ETF - Ishares S&P/ASX 20 ETF	1,054.00	1,165.20
SMALON05S Ishares S&P/ASX 20 ETF - Ishares S&P/ASX 20 ETF	1,291.15	1,427.37
Vanguard Australian Shares Index ETF - Exchange Traded Fund Units Fully Paid	58,625.00	57,928.64
Vanguard Diversified Balanced Index ETF - Exchange Traded Fund Units Fully Paid	176,363.20	203,974.16
Vanguard Diversified Growth Index ETF - Exchange Traded Fund Units Fully Paid	228,624.77	263,055.40
Vanguard Global Minimum Volatility Active ETF (Managed Fund) - Trading Managed Units Fully Paid	54,878.04	51,466.80
	<b>520,836.16</b>	<b>579,017.57</b>

**The AV Rice Super Fund**  
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**Note 7A – Distributions**

	<b>Current</b>	<b>Previous</b>
AB Global Equities Fund	14.98	21.77
AB Managed Volatility Equities Fund - MVE Class	40.35	39.42
Allan Gray Australia Equity Fund - Class A	51.53	22.31
Antipodes Global Fund - (Class P)	107.83	58.71
Bennelong ex-20 Australian Equities Fund	20.83	41.96
Colchester Global Government Bond Fund - Class I	30.52	49.61
Eiger Australian Small Companies Fund	0.03	2.23
Fidelity Australian Equities Fund	151.26	64.04
GQG Partners Global Equity Fund - A Class	22.65	2.53
Partners Group Global Multi-Asset Fund	132.53	80.76
PIMCO Global Bond Fund - Wholesale Class	7.90	1.70
SMALON04S Ironbark Royal London Concentrated Global Share Fund	53.15	64.94
SMALON04S Janus Henderson Tactical Income Fund	32.38	14.71
SMALON04S Macquarie Income Opportunities Fund	15.33	19.28
SMALON04S Magellan Infrastructure Fund	53.67	26.21
SMALON04S Pental Fixed Interest Fund	1.25	23.24
SMALON04S Resolution Capital Global Property Securities Fund	41.64	5.82
SMALON04S Schroder Fixed Income Fund - Wholesale Class	19.04	0.00
SMALON04S Zurich Investments - Australian Property Securities Fund	17.62	12.44
SMALON05S AB Global Equities Fund	20.41	12.30
SMALON05S AB Managed Volatility Equities Fund - MVE Class	53.70	52.46
SMALON05S Allan Gray Australia Equity Fund - Class A	84.26	35.63
SMALON05S Antipodes Global Fund - (Class P)	134.92	73.32
SMALON05S Bennelong ex-20 Australian Equities Fund	18.41	48.79
SMALON05S Eiger Australian Small Companies Fund	0.06	3.90
SMALON05S Fidelity Australian Equities Fund	183.09	68.97
SMALON05S GQG Partners Global Equity Fund - A Class	38.55	4.21
SMALON05S Ironbark Royal London Concentrated Global Share Fund	62.75	76.66
SMALON05S Macquarie Income Opportunities Fund	5.04	6.41
SMALON05S Magellan Infrastructure Fund	56.68	26.13
SMALON05S Partners Group Global Multi-Asset Fund	150.22	93.98
SMALON05S Pental Fixed Interest Fund	0.56	10.53
SMALON05S PIMCO Global Bond Fund - Wholesale Class	4.02	1.02
SMALON05S Resolution Capital Global Property Securities Fund	43.82	5.80
SMALON05S Schroder Fixed Income Fund - Wholesale Class	8.50	0.00
SMALON05S Zurich Investments - Australian Property Securities Fund	23.47	16.57
SMALON04S Ishares S&P/ASX 20 ETF - Ishares S&P/ASX 20 ETF	107.28	5.45
SMALON05S Ishares S&P/ASX 20 ETF - Ishares S&P/ASX 20 ETF	131.42	6.67
Vanguard Australian Shares Index ETF - Exchange Traded Fund Units Fully Paid	5,439.98	1,915.76
Vanguard Diversified Balanced Index ETF - Exchange Traded Fund Units Fully Paid	6,414.89	21,668.06
Vanguard Diversified Growth Index ETF - Exchange Traded Fund Units Fully Paid	10,358.57	24,957.43
Vanguard Global Minimum Volatility Active ETF (Managed Fund) - Trading Managed Units Fully Paid	0.00	7,089.57
	<b>24,155.09</b>	<b>56,731.30</b>

**Note 7B – Interest**

	<b>Current</b>	<b>Previous</b>
Macquarie Cash Management Account	0.86	23.72
SMALON04S Bank Account	0.14	0.00
	<b>1.00</b>	<b>23.72</b>

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**Note 8A – Realised Capital Losses**

	<b>Current</b>	<b>Previous</b>
<b>Managed Investments</b>		
Allan Gray Australia Equity Fund - Class A	(5.43)	0.00
Eiger Australian Small Companies Fund	(4.00)	0.00
Fidelity Australian Equities Fund	7.01	0.00
GQG Partners Global Equity Fund - A Class	(4.58)	0.00
SMALON04S Fulcrum Diversified Investments Fund	0.22	0.00
SMALON04S Ironbark Royal London Concentrated Global Share Fund	(4.22)	0.00
SMALON04S Janus Henderson Global Multi-Strategy Fund	(2.30)	0.00
SMALON04S Pental Fixed Interest Fund	34.27	0.00
SMALON05S Allan Gray Australia Equity Fund - Class A	(11.16)	0.00
SMALON05S CC RWC Global Emerging Markets Fund	31.52	0.00
SMALON05S Eiger Australian Small Companies Fund	20.67	0.00
SMALON05S Fidelity Australian Equities Fund	9.35	0.00
SMALON05S Fulcrum Diversified Investments Fund	0.24	0.00
SMALON05S GQG Partners Global Equity Fund - A Class	(8.85)	0.00
SMALON05S Ironbark Royal London Concentrated Global Share Fund	(4.95)	0.00
SMALON05S Partners Group Global Multi-Asset Fund	(0.15)	0.00
SMALON05S Pental Fixed Interest Fund	15.53	0.00
	<b>73.17</b>	<b>0.00</b>

**The AV Rice Super Fund**  
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**Note 8B – Decrease in Market Value**

	Current	Previous
<b>Managed Investments</b>		
AB Global Equities Fund	265.24	5.10
AB Managed Volatility Equities Fund - MVE Class	56.40	31.10
Allan Gray Australia Equity Fund - Class A	11.70	22.64
Antipodes Global Fund - (Class P)	137.38	62.73
Bennelong ex-20 Australian Equities Fund	242.69	40.03
Colchester Global Government Bond Fund - Class I	141.31	48.73
Eiger Australian Small Companies Fund	117.56	(0.21)
Fidelity Australian Equities Fund	174.32	48.36
GQG Partners Global Equity Fund - A Class	(27.11)	0.60
Partners Group Global Multi-Asset Fund	98.17	83.26
PIMCO Global Bond Fund - Wholesale Class	146.95	1.85
SMALON04S Fulcrum Diversified Investments Fund	(19.12)	(0.96)
SMALON04S Ironbark Royal London Concentrated Global Share Fund	37.88	57.02
SMALON04S Janus Henderson Global Multi-Strategy Fund	(39.86)	(4.53)
SMALON04S Janus Henderson Tactical Income Fund	66.26	15.06
SMALON04S Macquarie Income Opportunities Fund	96.77	24.54
SMALON04S Magellan Infrastructure Fund	(32.08)	44.68
SMALON04S Pental Fixed Interest Fund	(21.44)	21.44
SMALON04S Resolution Capital Global Property Securities Fund	147.16	17.92
SMALON04S Schroder Fixed Income Fund - Wholesale Class	183.37	0.00
SMALON04S Zurich Investments - Australian Property Securities Fund	102.26	14.85
SMALON05S AB Global Equities Fund	264.70	5.09
SMALON05S AB Managed Volatility Equities Fund - MVE Class	75.07	41.38
SMALON05S Allan Gray Australia Equity Fund - Class A	20.00	36.15
SMALON05S Antipodes Global Fund - (Class P)	171.95	78.33
SMALON05S Bennelong ex-20 Australian Equities Fund	282.76	46.54
SMALON05S CC RWC Global Emerging Markets Fund	354.61	0.00
SMALON05S Eiger Australian Small Companies Fund	158.56	(0.36)
SMALON05S Fidelity Australian Equities Fund	221.33	52.08
SMALON05S Fulcrum Diversified Investments Fund	(15.37)	(0.96)
SMALON05S GQG Partners Global Equity Fund - A Class	(45.19)	1.00
SMALON05S Ironbark Royal London Concentrated Global Share Fund	44.77	67.30
SMALON05S Janus Henderson Global Multi-Strategy Fund	(38.18)	(4.52)
SMALON05S Macquarie Income Opportunities Fund	31.18	8.16
SMALON05S Magellan Infrastructure Fund	(30.87)	44.54
SMALON05S Partners Group Global Multi-Asset Fund	109.82	96.89
SMALON05S Pental Fixed Interest Fund	(9.71)	9.71
SMALON05S PIMCO Global Bond Fund - Wholesale Class	85.00	1.11
SMALON05S Resolution Capital Global Property Securities Fund	161.68	17.86
SMALON05S Schroder Fixed Income Fund - Wholesale Class	81.55	0.00
SMALON05S Zurich Investments - Australian Property Securities Fund	136.16	19.78
<b>Shares in Listed Companies</b>		
SMALON04S ETFS Metal Securities Australia Limited. - ETFS Physical GOLD	(105.08)	5.97
SMALON05S ETFS Metal Securities Australia Limited. - ETFS Physical GOLD	(105.08)	5.97
<b>Units In Listed Unit Trusts</b>		
SMALON04S Ishares S&P/ASX 20 ETF - Ishares S&P/ASX 20 ETF	111.20	(3.70)
SMALON05S Ishares S&P/ASX 20 ETF - Ishares S&P/ASX 20 ETF	136.22	(5.77)
Vanguard Australian Shares Index ETF - Exchange Traded Fund Units Fully Paid	7,278.39	(11,660.88)
Vanguard Diversified Balanced Index ETF - Exchange Traded Fund Units Fully Paid	27,610.96	(4,744.29)
Vanguard Diversified Growth Index ETF - Exchange Traded Fund Units Fully Paid	34,430.63	(21,142.32)
Vanguard Global Minimum Volatility Active ETF (Managed Fund) - Trading Managed Units Fully Paid	4,593.75	(2,088.24)

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77,896.62

(38,578.97)

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