

**AYOUB FAMILY
SUPERANNUATION FUND**

ABN 74 949 275 430

Financial Statements
For the year ended 30 June 2014

Level 1, Park Plaza Cross Street

Hurstville NSW 2220

Phone: 02 9580 5788 Fax: 02 9580 8081

AYOUB FAMILY SUPERANNUATION FUND
ABN 74 949 275 430

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Trustee's 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 being Milad Ayoub and Victoria Ayoub.

- (a) The financial statements for the year 30 June 2014 present fairly the financial position of the Superannuation Fund at 30 June 2014 and the results of its operations for the year then ended in accordance with accounting policies described in Note 1 to the financial statements; and
- (b) The financial statements have been prepared in accordance with the requirements of the Trust Deed; and
- (c) 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 (SIS) during the year ended 30 June 2014.

Signed in accordance with a resolution of the Trustees by:

Milad Ayoub

Victoria Ayoub

Hurstville
04/11/2014

AYOUB FAMILY SUPERANNUATION FUND

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Independent Auditor's Report to the Members of AYOUB FAMILY SUPERANNUATION FUND

Approved SMSF auditor details

Name: Mr. Garry Widdup
Business name: Widdup Barilla, Chartered Accountants
Business postal address: Level 1, Park Plaza, Cross Street, Hurstville
SMSF Auditor Number (SAN): [Enter Text Here]

Self-managed superannuation fund details

Fund name: AYOUB FAMILY SUPERANNUATION FUND
Australian business number (ABN): 74 949 275 430
Address: [Enter Text Here]
Year of income being audited: 30 June 2014

TO THE SMSF TRUSTEES

To the SMSF Trustees of AYOUB FAMILY SUPERANNUATION FUND:

Part A: Financial report

I have audited the special purpose financial report comprising the statement of financial position as at 30 June 2014, and the operating statement, notes to the financial statements and the trustees' declaration of the AYOUB FAMILY SUPERANNUATION FUND for the year ended 30 June 2014.

SMSF trustees' responsibility for the financial report

The SMSF trustees (or directors of a corporate trustee) are responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the SMSF's governing rules, the Superannuation Industry (Supervision) Act 1993 (SISA) and the Superannuation Industry (Supervision) Regulations 1994 (SISR). Each trustee is also responsible for such internal controls as they determine are necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

Approved SMSF auditor's responsibility

My responsibility is to express an opinion on the financial report based on my audit. I have conducted an independent audit of the financial report in order to express an opinion on it to the trustees.

I have complied with the auditor independence requirements prescribed by the SISR and the competency standards set by ASIC.

My audit has been conducted in accordance with the Australian Auditing Standards. These standards require that I comply with relevant ethical requirements relating to audit engagements, and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free from material misstatement.

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Independent Auditor's Report to the Members of AYOUB FAMILY SUPERANNUATION FUND

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the trustees' preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the trustees' internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustees, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Approved SMSF auditor's opinion

In my opinion, the financial report presents fairly, in all material respects, in accordance with the accounting policies described in the notes to the financial statements, the financial position of the fund at 30 June 2014 and the results of its operations for the year then ended.

Basis of accounting

Without modifying my opinion, I draw attention to note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared to assist AYOUB FAMILY SUPERANNUATION FUND meet the requirements of the SMSF's governing rules, the Superannuation Industry (Supervision) Act 1993 (SISA) and the Superannuation Industry (Supervision) Regulations 1994 (SISR). As a result, the financial report may not be suitable for other purposes.

Part B: Compliance report

SMSF trustees' responsibility for compliance

The SMSF trustees (or directors of a corporate trustee) are responsible for complying with the requirements of the SISA and the SISR.

Approved SMSF auditor's responsibility

My responsibility is to express a conclusion on the trustees' compliance, based on the compliance engagement.

I have complied with the auditor independence requirements prescribed by the SISR and the competency standards set by ASIC.

My audit has been conducted in accordance with applicable Standards on Assurance Engagements, to provide reasonable assurance that the trustees of the fund have complied, in all material respects, with the relevant requirements of the following provisions (to the extent applicable) of the SISA and the SISR:

Sections: 17A, 35AE, 35B, 35C(2), 52B(2)(d)-52B(2)(e), 62, 65, 66, 67, 67A, 67B, 69-71E, 73-75, 80-85, 103, 104A, 109, 126K

Regulations: 1.06(9A), 4.09, 4.09A, 5.03, 5.08, 6.17, 7.04, 8.02B, 13.12, 13.13, 13.14, 13.18AA

My procedures included examination, on a test basis, of evidence supporting compliance with those requirements of the SISA and the SISR for the year ended 30 June 2014.

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Independent Auditor's Report to the Members of AYOUB FAMILY SUPERANNUATION FUND

These tests have not been performed continuously throughout the period, were not designed to detect all instances of non-compliance, and have not covered any other provisions of the SISA and the SISR apart from those specified. My procedures with respect to section 62 included testing that the fund trust deed establishes the fund solely for the provision of retirement benefits for fund members or their dependants in the case of the member's death before retirement; a review of investments to ensure the fund is not providing financial assistance to members, unless allowed under the legislation; and testing that no preserved benefits have been paid before a condition of release has been met.

My procedures with respect to regulation 4.09 included testing that the fund trustees have an investment strategy, that the trustees have given consideration to risk, return, liquidity and diversification, the insurance needs of fund members, and that the fund's investments are made in line with that investment strategy. No opinion is made on the investment strategy or its appropriateness to the fund members.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit conclusion.

Approved SMSF auditor's conclusion

In my opinion, the trustees of AYOUB FAMILY SUPERANNUATION FUND have complied, in all material respects, with the requirements of the SISA or the SISR specified above for the year ended 30 June 2014.

Signature of approved SMSF auditor: Mr. Garry Widdup

Date: 4 November, 2014

Appendix 1 - Explanation of listed sections and regulations in compliance report

This appendix is included to assist with the meaning of the legislation and regulations listed above.

Section or Regulation	Explanation
S17A	The Fund must meet the definition of an SMSF.
S35AE	The trustees must keep and maintain accounting records for a minimum of five years.
S35B	The trustees must prepare, sign and retain accounts and statements.
S35C(2)	The trustees must provide the auditor with the necessary documents to complete the audit in a timely and professional manner; and within 14 days of a written request from the auditor.
S52B(2)(e)	The trustee/director of a corporate trustee must not enter into a contract that would prevent/hinder them from exercising the powers of a trustee/corporate trustee.

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S62	The fund must be maintained for the sole purpose of providing benefits to any or all of the following: <ul style="list-style-type: none">- fund members upon their retirement- fund members upon reaching a prescribed age- the dependants of a fund member in the case of a member's death before retirement
S65	The trustees must not loan monies or provide financial assistance to any member or relative at any time during the financial year.
S66	The trustees must not acquire any assets (not listed as an exception) from any member or related party of the fund.
S67	The trustees of the fund must not borrow any money or maintain an existing borrowing (not listed as an exception).
S67A & 67B	The fund must comply with the limited recourse borrowing arrangement rules when borrowing to purchase single acquirable asset or replacement assets (not listed as an exception to the borrowing rules).
S69-71E	The trustees must comply with the in-house asset rules (these relate to transactions of any kind with a related party of the fund).
S73-75	The trustees must comply with the rules relating to the valuation of in-house assets (arms-length market value).
S80-85	The trustees must comply with the in-house asset rules.
S103	The trustees must keep minutes of all meetings and retain the minutes for a minimum of 10 years.
S104A	Trustees who became a trustee on or after 1 July 2007 must sign and retain a trustee declaration.
S109	All investment transactions must be made and maintained at arms-length - i.e. purchase, sale price and income from an asset reflects a true market value/rate of return.
S126K	A disqualified person cannot be a trustee, investment manager or custodian of a superannuation fund.
Sub Reg 1.06 (9A)	Pension payments must be made at least annually and must be at least the amount calculated under Schedule 7.
Reg 4.09	Trustees must formulate, regularly review and give effect to an investment strategy for the fund.
Reg 4.09A & S52B(2)(d)	The assets of the SMSF must be held separately from any assets held by the trustee personally or by a standard employer sponsor or an associate of the standard employer sponsor.
Reg 5.03	Investment returns must be allocated to members in a manner that is fair and reasonable.
Reg 5.08	Member minimum benefits must be maintained in the fund until transferred, rolled over, allotted (to the member's spouse) or cashed out in a permitted fashion.
Reg 6.17	Payments of member benefits must be made in accordance with Part 6 or Part 7A of the regulations and be permitted by the trust deed.

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Reg 7.04	Contributions can only be accepted in accordance with the applicable rules for the year being audited.
Reg 8.02B	When preparing accounts and statements required by subsection 35B(1) of SISA, an asset must be valued at its market value.
Reg 13.12	Trustees must not recognise an assignment of a super interest of a member or beneficiary.
Reg 13.13	Trustees must not recognise a charge over or in relation to a member's benefits.
Reg 13.14	Trustees must not give a charge over, or in relation to, an asset of the fund.
Reg 13.18AA	Investments in collectables and personal use assets must be maintained in accordance with prescribed rules.

AYOUB FAMILY SUPERANNUATION FUND
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Statement of Financial Position as at 30 June 2014

	Note	2014 \$	2013 \$
Investments			
Shares in listed companies		56,070	48,900
Total Investments		<u>56,070</u>	<u>48,900</u>
Other Assets			
Comm Bank Acct: 10795261		1,422	1,397
Comm Bank Acct: 10795288		18,503	17,051
Preliminary expenses		229	229
Total other assets		<u>20,155</u>	<u>18,676</u>
Total assets		<u>76,225</u>	<u>67,576</u>
Liabilities			
Income tax payable		582	853
Other creditor - Widdup Barilla		825	
Total liabilities		<u>1,407</u>	<u>853</u>
Net Assets Available to Pay Benefits		<u><u>74,818</u></u>	<u><u>66,723</u></u>
Represented by:			
Liability for Accrued Members' Benefits			
Allocated to members'accounts		74,818	66,723
		<u>74,818</u>	<u>66,723</u>

The accompanying notes form part of these financial statements.

AYOUB FAMILY SUPERANNUATION FUND

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Detailed Statement of Financial Position as at 30 June 2014

	Note	2014 \$	2013 \$
Investments			
500 Commonwealth Bk (CBA) \$ 24,375.33		40,440	34,590
3,000 Telstra (TLS) \$ 10,111.25		15,630	14,310
Total Investments		<u>56,070</u>	<u>48,900</u>
Other Assets			
Comm Bank Acct: 10795261		1,422	1,397
Comm Bank Acct: 10795288		18,503	17,051
Preliminary expenses		229	229
Total other assets		<u>20,155</u>	<u>18,676</u>
Total assets		<u>76,225</u>	<u>67,576</u>
Liabilities			
Taxation		385	292
2013 Tax Liability		197	561
Other creditor - Widdup Barilla		825	
Total liabilities		<u>1,407</u>	<u>853</u>
Net Assets Available to Pay Benefits		<u>74,818</u>	<u>66,723</u>
Represented by:			
Liability for Accrued Members' Benefits			
Allocated to members' accounts		<u>74,818</u>	<u>66,723</u>
		<u>74,818</u>	<u>66,723</u>

The accompanying notes form part of these financial statements.

AYOUB FAMILY SUPERANNUATION FUND

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Detailed Operating Statement

For the year ended 30 June 2014

	Note	2014 \$	2013 \$
Revenue			
Change in net market value		7,170	11,280
Dividends Franked		2,770	2,645
Imputation Credits		1,187	1,134
Interest received		453	252
Total revenue		<u>11,580</u>	<u>15,311</u>
Expenses			
Accountancy		825	550
Bank Fees And Charges		120	120
Filing Fees		388	321
Total expenses		<u>1,333</u>	<u>991</u>
Benefits Accrued as a Result of Operations		<u>10,247</u>	<u>14,320</u>

The accompanying notes form part of these financial statements.

AYOUB FAMILY SUPERANNUATION FUND

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Notes to the Financial Statements

For the year ended 30 June 2014

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 an accrual 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 on 4 November, 2014 by the trustees.

(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 an asset from a willing seller if the following assumptions are made:

- (i) that the buyer and the seller deal with each other at arm's length in relation to the sale;
- (ii) that the sale occurred after proper marketing of the asset; and
- (iii) 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; and
- (iv) investment properties at the trustees' assessment of their realisable value.

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For the year ended 30 June 2014

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 value of the Fund's financial liabilities is equivalent to the market value. Any remeasurement changes in the gross value 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 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 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 as it accrues.

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 trusts 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 net 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).

Contributions

Contributions and transfers 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.

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Notes to the Financial Statements

For the year ended 30 June 2014

(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 and deferred tax are recognised in profit or loss. 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) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or other payables in the statement of financial position.

(g) Critical Accounting Estimates and Judgements

The preparation of financial statements requires the trustee 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.

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Member's Information Statement

For the year ended 30 June 2014

	Note	2014 \$	2013 \$
MILAD AYOUB			
Opening balance - Milad Ayoub		33,489	25,830
ATO Co Contribution - Milad Ayoub			330
Allocated earnings		5,143	7,571
Benefits paid - Milad Ayoub		(7,217)	
Income Tax - Milad Ayoub			(241)
Balance as at 30 June 2014		<u>31,415</u>	<u>33,489</u>
Withdrawal benefits at the beginning of the year		33,489	25,830
Withdrawal benefits at 30 June 2014		31,415	33,489

Withdrawal Benefit

Your withdrawal benefit is the amount you are entitled to on resignation or retirement and represent 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.

Contact Details

If you require further information on your withdrawal benefit please contact Milad Ayoub or write to The Trustee, AYOUB FAMILY SUPERANNUATION FUND.

AYOUB FAMILY SUPERANNUATION FUND

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Member's Information Statement

For the year ended 30 June 2014

	Note	2014 \$	2013 \$
VICTORIA AYOUB			
Opening balance - Victoria Ayoub		33,234	23,025
Employer Contributions - Victoria Ayoub		6,246	4,323
Allocated earnings		5,104	6,749
Income Tax - Victoria Ayoub		(1,181)	(863)
Balance as at 30 June 2014		<u>43,402</u>	<u>33,234</u>
Withdrawal benefits at the beginning of the year		33,234	23,025
Withdrawal benefits at 30 June 2014		43,402	33,234

Withdrawal Benefit

Your withdrawal benefit is the amount you are entitled to on resignation or retirement and represent 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.

Contact Details

If you require further information on your withdrawal benefit please contact Milad Ayoub or write to The Trustee, AYOUB FAMILY SUPERANNUATION FUND.

AYOUB FAMILY SUPERANNUATION FUND

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Member's Information Statement

For the year ended 30 June 2014

	Note	2014	2013
		\$	\$
Amounts Allocatable to Members			
Yet to be allocated at the beginning of the year			
Benefits accrued as a result of operations as per the operating statement		10,247	14,320
Employer Contributions - Victoria Ayoub		6,246	4,323
ATO Co Contribution - Milad Ayoub			330
Benefits paid - Milad Ayoub		(7,217)	
Income Tax - Milad Ayoub			(241)
Income Tax - Victoria Ayoub		(1,181)	(863)
Amount allocatable to members		<u>8,094</u>	<u>17,869</u>
Allocation to members			
MILAD AYOUB		(2,074)	7,660
VICTORIA AYOUB		10,168	10,209
Total allocation		<u>8,094</u>	<u>17,869</u>
Yet to be allocated		<u>8,094</u>	<u>17,869</u>
Members Balances			
MILAD AYOUB		31,415	33,489
VICTORIA AYOUB		43,402	33,234
Allocated to members accounts		<u>74,818</u>	<u>66,723</u>
Yet to be allocated		<u>74,818</u>	<u>66,723</u>
Liability for accrued members benefits		<u>74,818</u>	<u>66,723</u>

The accompanying notes form part of these financial statements.