

The Trustee for M & M Superannuation Fund  
ABN 50 194 707 844  
2020 Financial Report

**The Trustee for M & M Superannuation Fund**

2020 Financial Report

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**Income Statement for the year ended 30 June 2020**

<b>Income</b>	<b>Notes</b>	<b>2020</b>	2019
		<b>Amount in \$</b>	Amount in \$
Interest received	2	1,162	1,740
Dividend received		9,369	10,573
Gain/(Loss) on revaluation of shares		662	19,203
Gain on revaluation of Investment property		122,500	2,500
Rental property income	3	21,826	24,527
		<u>155,519</u>	<u>58,543</u>
<b>Expenses</b>			
Rental property expenses	4	(27,038)	(29,649)
<b>Total</b>		<u>(27,038)</u>	<u>(29,649)</u>
Profit before Income Tax		128,481	28,894
Income Tax Credit/(Expense)		(854)	(410)
<b>Profit after Income Tax</b>		<u>127,627</u>	<u>28,484</u>

**Balance Sheet as at 30 June 2020**

	Notes	2020 Amount in \$	2019 Amount in \$
<b>Current assets</b>			
Cash and Cash Equivalents	5	75,660	87,330
Franking Credit receivable		7,818	5,399
<b>Total current assets</b>		<b>83,478</b>	92,729
<b>Non-current assets</b>			
Investment - Rental property	6	705,000	582,500
Investments in Shares	7	242,682	227,140
Deferred tax assets/Liability	8	1,618	8,541
<b>Total</b>		<b>949,300</b>	818,181
<b>Total Assets</b>		<b>1,032,777</b>	910,910
<b>Liabilities</b>			
Loan against investment property	9	(254,846)	(260,605)
<b>Total Liabilities</b>		<b>(254,846)</b>	<b>(260,605)</b>
<b>Net Assets available to pay benefits</b>		<b>777,931</b>	650,305
<b>Liability for Accrued benefits Allocated to Members' Accounts</b>	10	<b>(777,931)</b>	<b>(650,305)</b>



## Notes to the accounts forming part of the Financial Report

### 1: Statement of significant accounting policies:

#### Basis of preparation

The financial report is a special purpose financial report that has been prepared in accordance with Australian Accounting Standards AA25: Financial Reporting by Superannuation Plans, other applicable Accounting Standards, the provisions of the trust deed and the requirements of the Superannuation Industry (Supervision) Act 1993 and Regulations.

International Financial Reporting Standards (IFRS) form the basis of Australian Accounting Standards adopted by the Australian Accounting Standards Board. The financial statements of the fund does not comply with the IFRS due to the requirements of AAS25.

The financial statements have been prepared on an accrual basis and are presented in Australian dollars, being the functional currency of the Fund. The accounting policies set out below have been applied consistently to all periods presented in these financial statements unless otherwise stated.

#### a. Measurement of Assets and Liabilities Other than Tax Items and Members Benefits

Assets of the Fund have been measured at the market values after allowing for costs of realisation. Re-measurement changes in the net market values of assets are recognised in the income statement in the period in which they occur.

Net market values have been determined as follows:

- i. shares in listed companies, government securities and other fixed interest securities by reference to the relevant market quotations at the reporting date; and
- ii. units in managed funds by reference to the unit redemption price at the reporting date.

Financial liabilities, which are all current in nature, are measured at the gross value of the outstanding balance at year end.

Other assets, which are current in nature, are carried at the fair value of amount due to be received.

## Notes to the accounts forming part of the Financial Report

### Statement of significant accounting policies contd:

#### **b. Liability for Accrued Benefits**

The liability for accrued benefits represents the Funds present obligation to pay benefits to members and beneficiaries and has been calculated as the difference between the carrying amount of the sundry liabilities and income tax liabilities as at the end of reporting period.

#### **c. Vested Benefits**

Vested benefits are benefits which are not conditional upon continued membership of the Fund and include benefits which members are entitled to receive had they terminated their membership of the Fund at the end of the reporting period.

#### **d. Income tax**

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

Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in members funds, in which case it is recognised directly in members benefits.

##### *Current tax*

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 substantially 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.

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*

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well 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, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

## Notes to the accounts forming part of the Financial Report

### Statement of significant accounting policies contd:

#### Income tax contd.

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, 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 and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

#### g. Superannuation Contributions (Surcharge) Tax

The Superannuation Contribution Tax (Assessment and Collection) Act 1997 and related Regulations were amended in 2005 so that the surcharge does not apply to any superannuation contributions or termination payments received by a superannuation Fund or after 1 July 2005. However, the surcharge (and any accrued interest on surchargeable amounts) will continue to be paid by members who have made surchargeable contributions or who had surchargeable contributions made on their behalf between 1996 and 2005 and the surcharge has not yet been paid.

The Fund recognises amounts paid or payable in respect of the surcharge tax as an expense. The expense (and any corresponding liability) is brought to account in the period in which the assessments are received by the Trustee and are properly payable by the Fund. Overpayments of contribution surcharges in prior periods will result in a refund to the Fund.

#### h. 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).

Receivable and payables are stated inclusive of the amounts of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivable or payable in the balance sheet.

## Notes to the accounts forming part of the Financial Report

### Statement of significant accounting policies contd:

#### i. 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 are subject to an insignificant risk of changes in value.

#### j. Revenue

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

##### *Interest revenue*

Interest revenue is recognised as it accrues using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument

##### *Dividend revenue*

Revenue from dividends is recognised on the date the shares are quoted ex-dividend and, if not received at the end of the reporting period, is reflected in the balance sheet as a receivable at net market value.

##### *Distribution revenue*

Distributions from managed investment schemes 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 balance sheet as a receivable at net market value.

##### *Contributions and transfers*

Contributions received and transfers in are recognised when the control and the benefits from the revenue have transferred to the fund and are recognised gross of any taxes.

#### k. Remeasurements changes in net market values

Remeasurement changes in the net market values of investments are recognised as income and are determined as the difference between the net market value at year end or consideration received (if sold during the year) and the net market value as at the prior year-end or cost (if the investment was acquired during the period).

**Notes to the accounts forming part of the Financial Report**

**Statement of significant accounting policies contd:**

**I. Critical Accounting Estimates and judgments**

The preparation of financial statements requires management to make judgments, 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.

		<b>2020</b>	2019
		<b>Amount in \$</b>	Amount in \$
Note 2	<b>Interest received</b>		
	Interest received	<b>1,162</b>	1,740
	<b>Total</b>	<b>1,162</b>	1,740
Note 3	<b>Rental property income</b>		
	Rental property at 6/121 Streeton Drive Stirling ACT	<b>21,826</b>	24,527
Note 4	<b>Rental property expenses</b>		
	Rates	<b>1,432</b>	1,703
	Land tax	<b>1,759</b>	2,266
	Water	<b>649</b>	633
	Body corporate fee	<b>2,505</b>	2,656
	GST paid	<b>444</b>	444
	Repairs	<b>198</b>	663
	Management fee	<b>4,442</b>	4,442
	Interest paid	<b>15,609</b>	16,842
	<b>Total</b>	<b>27,038</b>	29,649

**Notes to the accounts forming part of the Financial Report**

	<b>2020</b>	2019
	<b>Amount in \$</b>	Amount in \$
<b>Note 5 Cash at bank</b>		
ADCU	<b>75,336</b>	82,130
NAB Cash balance	<b>324</b>	5,200
<b>Total</b>	<b>75,660</b>	<b>87,330</b>
<b>Note 6 Rental investment property</b>		
Rental property - 6/121 Streeton Dr Stirling ACT	705,000	582,500
	<b>705,000</b>	582,500
<b>Note 7 Investment in shares</b>		
Public listing companies	<b>242,682</b>	227,140
<b>Note 8 Deferred Tax Assets</b>		
Unrealised gains	(5,306)	763
Losses carried forward	6,924	7,778
	1,618	8,541
<b>Note 9 Borrowings</b>		
Loan from Liberty Financials	<b>(254,846)</b>	<b>(260,605)</b>
<b>Note 10 Accounts</b>		
<b>Michael Bond</b>		
Rollover balance	(650,305)	(629,321)
<b>Total</b>	<b>(650,305)</b>	<b>(629,321)</b>
(Profit)/Loss accrued during the year	<b>(127,627)</b>	(20,984)
Members's balance	<b>(777,931)</b>	<b>(650,305)</b>



### Trustee's Declaration

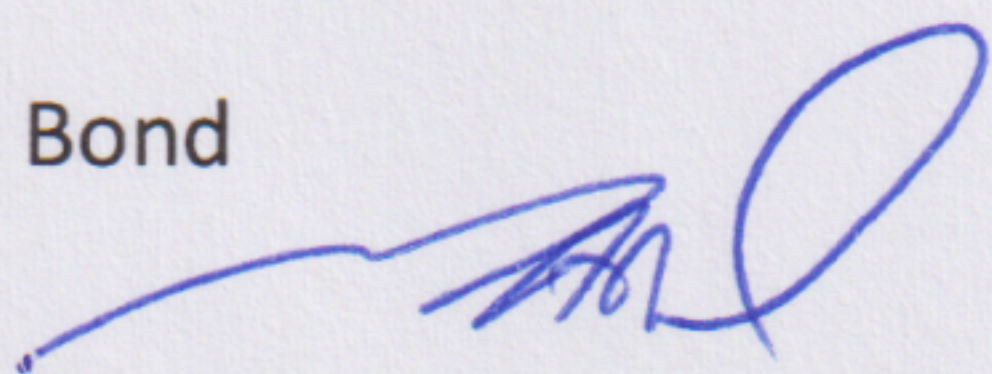
The trustees declare that:

1. the financial statements and notes, as set out in the financial report present fairly the company's financial position as at 30 June 2020 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
2. the financial statements and notes to the financial statements have been prepared in accordance with applicable Australian Accounting Standards, the Mandatory reporting requirements and the provisions of the trust deed, as amended; and
3. during the year ended 30 June 2020 the operations of the Superannuation Fund has been carried out in accordance with its Trust Deed and in compliance with
  - a. the requirements of the Superannuation Industry (Supervision) Act 1993 and regulations;
  - b. applicable sections of the Corporations Act 2001 and Regulations;
  - c. the requirements under s 13 of the Financial Sector (Collection of Data) Act 2001; and
  - d. the guidelines issued by the Australian Prudential Authority on derivative risk statements for superannuation entities investing in derivatives.

This declaration is made in accordance with a resolution the trustees:

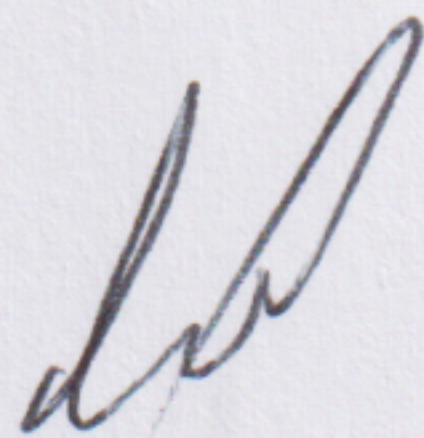
Michael Alan Bond

Trustee



Meredith Joy Bond

Trustee



Dated this 17 day of April 2021