

Clay Superannuation Fund

ABN 98 433 528 152

Trustees: Anthony Clay & Carol Clay

Financial Statement
For the year ended 30 June 2018

Clay Superannuation Fund

Reports

Table of Contents

Report Name	Page No.
Operating Statement (Profit and Loss) Report	1
Statement of Financial Position	2
Notes to the Financial Statements	3
Tax Accounting Reconciliation	8
Compilation Report - SMSF	9
Audit Report - SMSF	10
Trustee Declaration Report	17
Investment Transaction Confirmation Minute/Resolution	18
Member Summary Report	21
Member Statement	22
Investment Summary Report	25
Market Price Audit Report	26
Annual Return - SMSF	27
Annual Return CGT Schedule - SMSF	43
Annual Return Losses Schedule - SMSF	46
Electronic Lodgment Declaration	49
TBAR Declaration	50

Clay Superannuation Fund
Operating Statement
For the period 1 July 2017 to 30 June 2018

	Note	2018 \$	2017 \$
Income			
Member Receipts			
Contributions			
Member		1,870.00	1,766.45
Investment Gains			
Increase in Market Value	8A	14,567.11	1,510.19
Investment Income			
Dividends	7A	2,469.42	1,649.06
Interest	7B	12.53	14.04
Other Income		-	16.59
		<u>18,919.06</u>	<u>4,956.33</u>
Expenses			
Other Expenses			
Accountancy Fee		1,650.00	1,210.00
Adviser Fee		794.88	729.68
Auditor Fee		550.00	660.00
Fine		(1,780.00)	1,780.00
SMSF Supervisory Levy		259.00	647.00
Investment Losses			
Realised Capital Losses	8B	4,623.10	-
		<u>6,096.98</u>	<u>5,026.68</u>
Benefits Accrued as a Result of Operations before Income Tax		12,822.08	(70.35)
Income Tax			
Income Tax Expense		878.35	(84.35)
Prior Years Under Provision for Income Tax		348.00	(0.12)
		<u>1,226.35</u>	<u>(84.47)</u>
Benefits Accrued as a Result of Operations		<u><u>11,595.73</u></u>	<u><u>14.12</u></u>

*The accompanying notes form part of these financial statements.
This report should be read in conjunction with the accompanying compilation report.*

Clay Superannuation Fund
Statement of Financial Position
as at 30 June 2018

	Note	2018 \$	2017 \$
Assets			
Investments			
Other Assets	6A	20,306.45	19,437.65
Shares in Listed Companies	6B	40,761.35	32,712.04
Other Assets			
Cash At Bank		4,700.12	1,223.81
Deferred Tax Assets		7,710.30	8,588.65
Current Tax Assets		1,177.56	767.90
Total Assets		<u>74,655.78</u>	<u>62,730.05</u>
Liabilities			
Other Creditors and Accruals		2,200.00	1,870.00
Total Liabilities		<u>2,200.00</u>	<u>1,870.00</u>
Net Assets Available to Pay Benefits		<u>72,455.78</u>	<u>60,860.05</u>
<i>Represented by:</i>			
Liability for Accrued Benefits	2		
Ms Carol Clay		72,455.78	60,860.05
Total Liability for Accrued Benefits		<u>72,455.78</u>	<u>60,860.05</u>

*The accompanying notes form part of these financial statements.
This report should be read in conjunction with the accompanying compilation report.*

Clay Superannuation Fund
Notes to the Financial Statements
As at 30 June 2018

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.

Clay Superannuation Fund
Notes to the Financial Statements
As at 30 June 2018

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.

This report should be read in conjunction with the accompanying compilation report.

Clay Superannuation Fund
Notes to the Financial Statements
As at 30 June 2018

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.

(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 04 March 2019 by the trustee of the fund.

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:

	Current	Previous
Liability for Accrued Benefits at beginning of period	60,860.05	60,845.93
Benefits Accrued during the period	11,595.73	14.12
Benefits Paid during the period	0.00	0.00
Liability for Accrued Benefits at end of period	72,455.78	60,860.05

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.

Clay Superannuation Fund
Notes to the Financial Statements
As at 30 June 2018

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.

	Current	Previous
Vested Benefits at beginning of period	60,860.05	60,845.93
Benefits Accrued during the period	11,595.73	14.12
Benefits Paid during the period	0.00	0.00
Vested Benefits at end of period	72,455.78	60,860.05

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 – Other Assets

	Current	Previous
At market value:		
5 x 1kg Silver Bullion	3,711.45	3,587.65
5 x 2oz Gold Bullion	16,595.00	15,850.00
	20,306.45	19,437.65

Note 6B – Shares in Listed Companies

	Current	Previous
At market value:		
AMP Limited	3,560.00	5,190.00
Atlas Iron Limited	4,300.00	1,500.00
BHP Billiton Limited	23,058.80	15,830.40
Lynas Corporation Limited	0.00	525.00
Quantify Technology Holdings Limited	2.55	6.64
South32 Limited	7,220.00	5,360.00
Telstra Corporation Limited.	2,620.00	4,300.00
	40,761.35	32,712.04

Note 7A – Dividends

	Current	Previous
AMP Limited	401.86	388.00
BHP Billiton Limited	1,200.05	696.50
South32 Limited	488.94	121.70
Telstra Corporation Limited.	378.57	442.86
	2,469.42	1,649.06

Note 7B – Interest

	Current	Previous
Macquarie Cash Management Account '9046	12.53	14.04
	12.53	14.04

Clay Superannuation Fund
Notes to the Financial Statements
As at 30 June 2018

Note 8A – Increase in Market Value

	Current	Previous
Other Assets		
5 x 1kg Silver Bullion	123.80	(692.35)
5 x 2oz Gold Bullion	745.00	(2,855.00)
Shares in Listed Companies		
AMP Limited	(1,630.00)	30.00
Atlas Iron Limited	2,800.00	600.00
BHP Billiton Limited	7,228.40	3,148.40
Lynas Corporation Limited	5,124.00	260.00
Quantify Technology Holdings Limited	(4.09)	(3,467.36)
South32 Limited	1,860.00	2,280.00
Telstra Corporation Limited.	(1,680.00)	(1,260.00)
Whl Energy Limited	0.00	3,466.50
	14,567.11	1,510.19

Note 8B – Realised Capital Losses

	Current	Previous
Shares in Listed Companies		
Lynas Corporation Limited	4,623.10	0.00
	4,623.10	0.00

Clay Superannuation Fund

Tax Accounting Reconciliation

For the period 1 July 2017 to 30 June 2018

Operating Statement Profit vs. Provision for Income Tax		2018
		\$
Benefits Accrued as a Result of Operations before Income Tax		12,822.08
<u>ADD:</u>		
Excess Accounting Loss Carried Forward		9,165.00
Realised Capital Losses		4,623.10
<u>LESS:</u>		
Increase in Market Value		14,567.11
Carry Forward Accounting Loss		9,165.00
Non-Taxable Contributions		1,870.00
Non-Deductible Expenses		1,780.00
Rounding		1.07
Taxable Income or Loss		<u><u>(773.00)</u></u>

	Income Amount	Tax Amount
Gross Tax @ 15% for Concessional Income	(773.00)	0.00
Gross Tax @ 45% for Net Non-Arm's Length Income	0.00	0.00
No-TFN Quoted Contributions @ 32%	0.00	0.00
Change in Carried Forward Losses	773.00	(578.25)
Provision for Income Tax		<u><u>(578.25)</u></u>

Provision for Income Tax vs. Income Tax Expense

Provision for Income Tax	(578.25)
<u>ADD:</u>	
Change in Deferred Tax Liability	1,456.60
Income Tax Expense	<u><u>878.35</u></u>

Provision for Income Tax vs. Income Tax Payable

Provision for Income Tax	(578.25)
<u>ADD:</u>	
Change in Carried Forward Losses	578.25
<u>LESS:</u>	
Franking Credits	727.75
Income Tax Payable (Receivable)	<u><u>(727.75)</u></u>

Exempt Current Pension Income Settings

Pension Exempt % (Actuarial)	0.0000%
Pension Exempt % (Expenses)	0.0000%
Assets Segregated For Pensions	No

**Compilation Report to the Trustees and Members of
Clay Superannuation Fund**

**ABN 98 433 528 152
For the period 01 July 2017 to 30 June 2018**

On the basis of the information provided by the Trustees of Clay Superannuation Fund, we have compiled the accompanying special purpose financial statements of Clay Superannuation Fund for the period ended 30 June 2018, which comprise the Statement of Financial Position, Operating Statement, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1 to the financial statements.

The Responsibility of Trustees

The Trustees of Clay Superannuation Fund are solely responsible for the information contained in the special purpose financial statements. The reliability, accuracy and completeness of the information and for the determination that the financial reporting framework / basis of accounting used is appropriate to meet the needs of the members and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of information provided by the Trustees of Clay Superannuation Fund, we have compiled the accompanying special purpose financial statements in accordance with the financial reporting framework/basis of accounting as described in Note 1 to the financial statements and **APES 315: *Compilation of Financial Information***.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the financial reporting framework / basis of accounting described in Note 1 to the financial statements. We have complied with the relevant ethical requirements of **APES 110 *Code of Ethics for Professional Accountants***.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion¹ on these financial statements

The special purpose financial statements were compiled exclusively for the benefit of the Trustees of the fund who are responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility for the contents of the special purpose financial statements.

Signature of Accountant

Dated: 04 March 2019

.....
Name of Signatory:

Address:

¹ Refer to AUASB Standards for the issuance of audit opinions and review conclusions

Clay Superannuation Fund
Self-Managed Superannuation Fund Independent Audit Report
for the period 1 July 2017 to 30 June 2018

Approved SMSF auditor details

Name Tony Boys

Business name

Business postal address

SMSF auditor number (SAN) 100014140

Self-managed superannuation fund details

Self-managed super fund (SMSF) name Clay Superannuation Fund

Australian business number (ABN) 98 433 528 152

Address 8 Coonanga Avenue, Budgewoi, NSW 2262, Australia

Year of income being audited 2018

To the SMSF trustees

To the SMSF trustees of Clay Superannuation Fund

Part A: Financial report

Approved SMSF Auditor's Opinion

I have audited the special purpose financial report of the Clay Superannuation Fund comprising the statement of financial position as at 30 June 2018, and the operating statement, a summary of significant accounting policies and other explanatory notes of the Clay Superannuation Fund for the year ended 30 June 2018.

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 2018 and the results of its operations for the year then ended.

Basis for Opinion

My audit has been conducted in accordance with Australian Auditing Standards¹. My responsibilities under those standards are further described in the *Approved SMSF Auditor's Responsibilities for the Audit of the Financial Report* section of this report. I am independent of the self-managed superannuation fund in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) as required by the Superannuation Industry (Supervision) Regulations 1994 (SISR). I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - 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 Clay Superannuation Fund meet the requirements of the SMSF's governing rules, the *Superannuation Industry (Supervision) Act 1993* (SISA) and the SISR. As a result, the financial report may not be suitable for other purposes.

Responsibilities of SMSF trustees for the financial report

Each SMSF trustee (individual trustee or director of corporate trustee) is 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 SISA and the 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.

In preparing the financial report, the trustees are responsible for assessing the fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the trustees intend to wind-up the fund. The going concern basis of accounting is appropriate when it is reasonably foreseeable that the fund will be able to meet its liabilities as they fall due.

The trustees are responsible for overseeing the fund's financial reporting process.

Approved SMSF auditor's responsibilities for the audit of the financial report

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.

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of trustees taken on

¹ The Australian Auditing Standards issued by the Auditing and Assurance Standards Board.

the basis of this financial report.

I have complied with the competency standards set by Australian Securities & Investments Commission (ASIC). My audit has been conducted in accordance with 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.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

Part B: Compliance report

Approved SMSF Auditor's Opinion

I have performed a reasonable assurance engagement on the Clay Superannuation Fund to provide an opinion in relation to its compliance, in all material respects, with the applicable provisions of the SISA and the SISR as listed below in the *Approved SMSF Auditor's Responsibility* section of this report.

In my opinion, each trustee of Clay Superannuation Fund has complied, in all material respects, with the applicable provisions of the SISA and the SISR specified below, for the year ended 30 June 2018.

Basis for Opinion

I have conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3100 *Compliance Engagements* issued by the Auditing and Assurance Standards Board.

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

Independence and quality control

I have complied with the independence requirements in accordance with the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) as required by the SISR.

I/My firm apply/applies Australian Standard on Quality Control 1 ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

I have complied with the competency standards set by ASIC.

SMSF trustee's responsibility for compliance

Each SMSF trustee is responsible for complying with the requirements of the SISA and the SISR and for identifying, designing and implementing internal controls as they determine necessary to meet compliance requirements and monitor ongoing compliance.

Approved SMSF auditor's responsibility for the compliance report

My responsibility is to express an opinion on the trustees' compliance with the applicable requirements of the SISA and the SISR, based on the compliance engagement. My procedures included testing that the fund has an investment strategy that complies with the SISA and that the trustees make investments in line with that strategy, however, no opinion is made on its appropriateness to the fund members.

My reasonable assurance engagement has been conducted in accordance with applicable Standards on Assurance Engagements issued by the Auditing and Assurance Standards Board, 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), 62, 65, 66, 67, 67A, 67B, 82-85, 103, 104, 104A, 105, 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

An assurance engagement to report on the fund's compliance with the applicable requirements of the SISA and the SISR involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the compliance requirements. The procedures selected depend on my judgement, including the identification and assessment of risks of material non-compliance.

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 2018.

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.

Inherent limitations

Due to the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non-compliance with the listed provisions may occur and not be detected. A reasonable assurance engagement does not provide assurance on whether compliance with the listed provisions will continue in the future.

Signature of approved SMSF auditor

..... Dated:/...../.....

Name: Tony Boys

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 and 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
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"><input type="checkbox"/> fund members upon their retirement<input type="checkbox"/> fund members upon reaching a prescribed age<input type="checkbox"/> 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)
S82-85	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
S104	The trustees must keep up to date records of all trustee or director of corporate trustee changes and trustee consents 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
S105	The trustees must ensure that copies of all member or beneficiary reports are kept for a minimum of 10 years
S109	All investment transactions must be made and maintained at arms-length - that is, 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	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
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

Clay Superannuation Fund

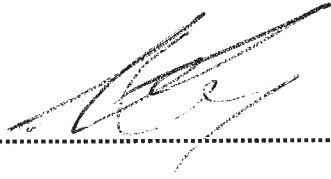
Trustee Declaration

In the opinion of the Trustees of the Clay Superannuation Fund.

The Fund is not a reporting entity and this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to these financial statements.

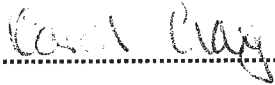
- (i) the financial statements and notes to the financial statements for the year ended 30 June 2018 present fairly the financial position of the Fund at 30 June 2018 and the results of its operations for the year then ended in accordance with the accounting policies described in Note 1 to the financial 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 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 2018.

Signed in accordance with a resolution of the trustees by:



.....
Anthony Clay
Trustee

Dated:/...../.....



.....
Carol Clay
Trustee

Dated:/...../.....

**MINUTES OF THE MEETING OF THE TRUSTEES OF
CLAY SUPERANNUATION FUND
HELD ON/...../..... AT
8 COONANGA AVENUE, BUDGEWOI NSW**

PRESENT:

Anthony Clay
Carol Clay

PURCHASES OF ASSETS:

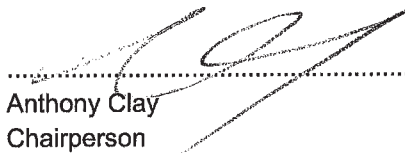
It was resolved that having regard to the composition of the fund's existing investments, the fund's Investment strategy and its present liquidity, the purchase of the assets identified in the schedule hereto be confirmed.

SALES OF ASSETS:

It was resolved that having regard to the composition of the fund's existing investments, the fund's investment strategy and its present liquidity, the sale of the assets identified in the schedule hereto be confirmed.

CLOSURE:

There being no further business the meeting was closed.


..... Dated:/...../.....
Anthony Clay
Chairperson

MINUTES OF THE MEETING OF THE TRUSTEES OF
CLAY SUPERANNUATION FUND
HELD ON/...../..... AT
8 COONANGA AVENUE, BUDGEWOI NSW
SCHEDULE OF PURCHASES AND SALES OF FUND ASSETS
FOR THE REPORTING PERIOD ENDED 30 June 2018

<u>PURCHASES OF FUND ASSETS</u>	<u>Price</u>	<u>Units</u>	<u>Consideration</u>
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No purchases in period

MINUTES OF THE MEETING OF THE TRUSTEES OF
CLAY SUPERANNUATION FUND
HELD ON/...../..... AT
8 COONANGA AVENUE, BUDGEWOI NSW

SCHEDULE OF PURCHASES AND SALES OF FUND ASSETS
FOR THE REPORTING PERIOD ENDED 30 June 2018

<u>SALES OF FUND ASSETS</u>	<u>Price</u>	<u>Units</u>	<u>Consideration</u>
<u>Listed Securities Market</u>			
<u>Lynas Corporation Limited</u>			
13/11/2017 Lynas Corp S00020965118	0.21	5000.00	1,025.90

Clay Superannuation Fund

Members Summary Report - For the period 1/07/2017 to 30/06/2018

Member's Detail	Opening Balance	Increases					Decreases					Closing Balance	
		Contrib	Tran In	Profit	Ins Proc	Tax	Exp	Ins Prem	Tran Out	Ben Paid			
Ms Carol Clay													
8 Coonanga Avenue Budgewoi NSW 2262													
Accumulation Accumulation	60,860.05	1,870.00	0.00	10,952.08	0.00	(1,226.35)	0.00	0.00	0.00	0.00	0.00	0.00	72,455.78
	60,860.05	1,870.00	0.00	10,952.08	0.00	(1,226.35)	0.00	0.00	0.00	0.00	0.00	0.00	72,455.78
	60,860.05	1,870.00	0.00	10,952.08	0.00	(1,226.35)	0.00	0.00	0.00	0.00	0.00	0.00	72,455.78

Clay Superannuation Fund

(ABN: 98 433 528 152)

Consolidated Member Benefit Totals

Period

1 July 2017 - 30 June 2018

Member

Ms Carol Clay

Number: 2

Member Account Details

Residential Address: 8 Coonanga Avenue
Budgewoi, NSW 2262

Date of Birth: 2 March 1956
Date Joined Fund: 4 February 2005
Eligible Service Date: 4 February 2005

Tax File Number Held: Yes

*Note: this report provides a consolidated view of the Member's interests in the SMSF
Refer to the Member Benefit Statements produced for each member account for further details*

Your Accounts

Withdrawal Benefit as at 1 Jul 2017	
Accumulation	60,860.05
Total as at 1 Jul 2017	60,860.05

Withdrawal Benefit as at 30 Jun 2018	
Accumulation	72,455.78
Total as at 30 Jun 2018	72,455.78

Your Tax Components

Tax Free	18,930.34
Taxable - Taxed	53,525.44
Taxable - Untaxed	-

Your Preservation Components

Preserved	72,455.78
Restricted Non Preserved	-
Unrestricted Non Preserved	-

Your Insurance Benefits

No insurance details have been recorded

Your Beneficiaries

No beneficiary details have been recorded

For Enquiries:

mail Clay Superannuation Fund, 8 Coonanga Avenue, Budgewoi NSW 2262

Clay Superannuation Fund
(ABN: 98 433 528 152)

Member Benefit Statement

Period	Member Account Details
1 July 2017 - 30 June 2018	Residential Address: 8 Coonanga Avenue Budgewoi, NSW 2262
Member	Number: 2
Ms Carol Clay	Date of Birth: 2 March 1956
Accumulation Account	Date Joined Fund: 4 February 2005
Accumulation	Eligible Service Date: 4 February 2005
	Tax File Number Held: Yes
	Account Start Date: 4 February 2005

Your Account Summary	
Withdrawal Benefit as at 1 Jul 2017	60,860.05
<i><u>Increases to your account:</u></i>	
Member Contributions	1,870.00
Share Of Net Fund Income	10,952.08
<u>Total Increases</u>	12,822.08
<i><u>Decreases to your account:</u></i>	
Tax on Net Fund Income	1,226.35
<u>Total Decreases</u>	1,226.35
Withdrawal Benefit as at 30 Jun 2018	72,455.78

Your Tax Components		
Tax Free	26.1267 %	18,930.34
Taxable - Taxed		53,525.44
Taxable - Untaxed		-
Your Preservation Components		
Preserved		72,455.78
Restricted Non Preserved		-
Unrestricted Non Preserved		-
Your Insurance Benefits		
No insurance details have been recorded		
Your Beneficiaries		
No beneficiary details have been recorded		

For Enquiries:
mail Clay Superannuation Fund, 8 Coonanga Avenue, Budgewoi NSW 2262

Trustees

The Trustees of the Fund are as follows:

Anthony Clay and
Carol Clay

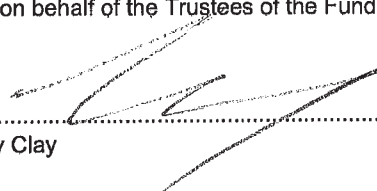
Availability of Other Fund Information

Additional information regarding your membership is available on request. What your Fund can do is governed by the provisions of its Trust Deed, which is available for inspection. If you require further information or clarification of any aspect of your membership of the Fund, please contact your Fund's Administrator or Trustees.

Trustees Disclaimer

This statement has been prepared by the Trustees for the member whose name appears at the top of this statement. While every effort has been made by the Trustees to ensure the accuracy and completeness of this statement, the Trustees do not accept any liability for any errors, omissions or misprints.

Signed on behalf of the Trustees of the Fund



.....
Anthony Clay
Trustee



.....
Carol Clay
Trustee

Statement Date: 30 June 2018

For Enquiries:
mail Clay Superannuation Fund, 8 Coonanga Avenue, Budgewoi NSW 2262

Clay Superannuation Fund

Investment Summary as at 30 June 2018

Investment	Units	Average Cost Price	Market Price	Accounting Cost	Market Value	Unrealised Accounting Gain/(Loss)	Accounting Gain/(Loss) (%)	Portfolio Weight (%)
Bank								
Macquarie Cash Management Account '9046				4,700.12	4,700.12			7.15%
				<u>4,700.12</u>	<u>4,700.12</u>			<u>7.15%</u>
Listed Securities Market								
Atlas Iron Limited (ASX:AGO)	100,000.00000	0.0296	0.0430	2,959.66	4,300.00	1,340.34	45.29%	6.54%
AMP Limited (ASX:AMP)	1,000.00000	5.9790	3.5600	5,979.00	3,560.00	(2,419.00)	(40.46)%	5.41%
BHP Billiton Limited (ASX:BHP)	680.00000	35.9157	33.9100	24,422.70	23,058.80	(1,363.90)	(5.56)%	35.06%
Quantify Technology Holdings Limited (ASX:QFY)	91.00000	38.1758	0.0280	3,474.00	2.55	(3,471.45)	(99.93)%	- %
South32 Limited (ASX:S32)	2,000.00000	2.0305	3.6100	4,061.03	7,220.00	3,158.97	77.79%	10.98%
Telstra Corporation Limited. (ASX:TLS)	1,000.00000	5.3390	2.6200	5,339.00	2,620.00	(2,719.00)	(50.93)%	3.98%
				<u>46,235.39</u>	<u>40,761.35</u>	<u>(5,474.04)</u>	<u>(11.84)%</u>	<u>61.98%</u>
Unlisted Market								
5 x 1kg Silver Bullion	1.00000	6,966.0000	3,711.4500	6,966.00	3,711.45	(3,254.55)	(46.72)%	5.64%
5 x 2oz Gold Bullion	1.00000	16,537.5000	16,595.0000	16,537.50	16,595.00	57.50	0.35%	25.23%
				<u>23,503.50</u>	<u>20,306.45</u>	<u>(3,197.05)</u>	<u>(13.60)%</u>	<u>30.88%</u>
				<u>74,439.01</u>	<u>65,767.92</u>	<u>(8,671.09)</u>	<u>(11.65)%</u>	<u>100.00%</u>

The accounting cost is the original cost base adjusted by any subsequent capital call/improvement or capital return transactions. In many cases, it is not the same as the adjusted or reduced cost base, or the reset cost base resulting from the CGT relief. To view the tax cost base and unrealised gain/(loss) for tax purposes refer to the Unrealised Capital Gains Report or change the report parameter to tax cost base.

Clay Superannuation Fund

Market Price Audit Report as at 30 June 2018

Name	Units	Market Price	Price Date	Market Value	Scope (Amended)	Source Price	Variation (%)	Variation (\$)	Modified By
<u>Bank</u>									
Macquarie Cash Management Account '9046	4,700.12	1.0000		4,700.12	Fund				
				4,700.12					
<u>Listed Securities Market</u>									
Atlas Iron Limited (ASX:AGO)	100,000.00	0.0430		4,300.00					
AMP Limited (ASX:AMP)	1,000.00	3.5600		3,560.00					
BHP Billiton Limited (ASX:BHP)	680.00	33.9100		23,058.80					
Quantify Technology Holdings Limited (ASX:QFY)	91.00	0.0280		2.55					
South32 Limited (ASX:S32)	2,000.00	3.6100		7,220.00					
Teistra Corporation Limited. (ASX:TLS)	1,000.00	2.6200		2,620.00					
				40,761.35					
<u>Unlisted Market</u>									
5 x 1kg Silver Bullion	1.00	3,711.4500	30/06/2018	3,711.45	Fund				rachel@bpcaccounting.com.au 28/02/2019 9:09:36PM
5 x 2oz Gold Bullion	1.00	16,595.0000	30/06/2018	16,595.00	Fund				rachel@bpcaccounting.com.au 28/02/2019 9:10:14PM
				20,306.45					
				65,767.92					