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Denham Family Superannuation Fund

ABN 75 852 347 753

Audited Financial Statements

for the year ended
30 June 2020

Business Advisory

Profit & Efficiency Strategies

Asset Protection

Cash Flow Management

Exit & Succession Planning

Management Reporting

Negotiation & Mediation

Business Purchase Advice



Finance

Business & Equipment

Residential & Commercial



Financial Planning

Wealth Creation

Superannuation & Insurance

Retirement Planning

Property Selection
& Syndication



Tax

Advice

Compliance



Tel: 02 7804 1898



admin01@dab.com.au



By Appointment

Level 5 24 Hunter Street,

Parramatta NSW 2150



Correspondence

PO Box 313

Parramatta NSW 2124

Denham Family Superannuation Fund
ABN 72 852 347 753
Trustees' Declaration
for the Year Ended 30 June 2020

The trustees have determined that the fund is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the trustees:

- (i) the financial statements and notes to the financial statements for the year ended 30 June 2020 present fairly the financial position of the superannuation fund at 30 June 2020 and the results of its operations for the year then ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
- (ii) the financial statements and notes to the financial statements have been prepared in accordance with the requirements of the trust deed; and
- (iii) the operation of the superannuation fund has been carried out in accordance with its trust deed and in compliance with the requirements of the Superannuation Industry (Supervision) Act 1993 during the year ended 30 June 2020.

Signed:



Michael Denham
Trustee

SIGN HERE



Warren Denham
Trustee

Dated this 09 day of June 2021

Denham Family Superannuation Fund

Balance Sheet [Last Year Analysis]

June 2020

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| | This Year | Last Year |
|--------------------------------|---------------------|---------------------|
| Assets | | |
| Current Assets | | |
| Cash On Hand | | |
| NAB | \$27,994.49 | \$51,985.42 |
| Total Cash On Hand | \$27,994.49 | \$51,985.42 |
| Trade Debtors | \$0.00 | \$4,100.00 |
| Total Current Assets | \$27,994.49 | \$56,085.42 |
| Other Assets | | |
| Set Up Costs (Unexpired) | \$528.00 | \$528.00 |
| Netwealth | | |
| Netwealth - Cash Account | \$2,206.56 | \$1,064.68 |
| Netwealth - Aust&Int.Shares | \$67,352.57 | \$55,006.01 |
| Netwealth - Income receivable | \$2,684.21 | \$2,508.73 |
| New Vision Products | \$17,749.00 | \$0.00 |
| Total Netwealth | \$89,992.34 | \$58,579.42 |
| Total Other Assets | \$90,520.34 | \$59,107.42 |
| Fixed Assets | | |
| Leasehold Improvements | | |
| 4/129 Russell St, PENRITH-cost | \$697,295.23 | \$697,295.23 |
| Total Leasehold Improvements | \$697,295.23 | \$697,295.23 |
| Total Fixed Assets | \$697,295.23 | \$697,295.23 |
| Borrowing costs | \$536.53 | \$2,145.73 |
| Total Assets | \$816,346.59 | \$814,633.80 |
| Liabilities | | |
| Current Liabilities | | |
| GST Liabilities | | |
| GST Collected | \$1,279.63 | -\$1,012.37 |
| GST Paid | -\$1,471.80 | -\$867.14 |
| Total GST Liabilities | -\$192.17 | -\$1,879.51 |
| ATO Liabilities | | |
| BAS | \$0.00 | \$1,955.00 |
| Income tax | \$2,147.62 | \$1,417.04 |
| Total ATO Liabilities | \$2,147.62 | \$3,372.04 |
| Bond Received | \$0.00 | \$4,100.00 |
| Total Current Liabilities | \$1,955.45 | \$5,592.53 |
| Long Term Liabilities | | |
| Bank Loans - NAB | \$353,254.29 | \$382,530.82 |
| Total Long Term Liabilities | \$353,254.29 | \$382,530.82 |
| Total Liabilities | \$355,209.74 | \$388,123.35 |
| Net Assets | \$461,136.85 | \$426,510.45 |
| Equity | | |
| Members' Equity | | |
| Michael Denham | | |
| Michael - Opening Balance | \$99,089.80 | \$90,053.60 |
| Michael - Share of Profit | \$750.05 | \$2,546.11 |
| Michael Employer contribution | \$8,398.00 | \$6,490.09 |
| Total Michael Denham | \$108,237.85 | \$99,089.80 |
| Michelle Denham | | |
| Michelle - Opening Balance | \$24,425.55 | \$21,397.36 |
| Michelle - Share of Profit | \$184.89 | \$605.69 |
| Michelle - Employer contributi | \$9,680.32 | \$2,422.50 |
| Total Michelle Denham | \$34,290.76 | \$24,425.55 |
| Warren Denham | | |
| Warren - Opening Balance | \$265,360.52 | \$251,744.40 |
| Warren - Share of Profit | \$2,008.61 | \$7,126.03 |
| Warren - Employer contribution | \$8,398.00 | \$6,490.09 |
| Elizabeth | | |
| Elizabeth-Opening balance | \$37,634.58 | \$34,242.78 |

Denham Family Superannuation Fund

Balance Sheet [Last Year Analysis]

June 2020

03/06/2021
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| | This Year | Last Year |
|--------------------------------|---------------------|---------------------|
| Elizabeth - Share of Profit | \$266.53 | \$969.30 |
| Elizabeth- Employer contributi | \$4,940.00 | \$0.00 |
| Total Elizabeth | \$42,841.11 | \$35,212.08 |
| Total Members' Equity | <u>\$461,136.85</u> | <u>\$424,087.95</u> |
| Retained Earnings | \$0.00 | \$3,344.15 |
| Distribution to Beneficiaries | -\$34,626.40 | -\$29,996.96 |
| Current Year Earnings | \$34,626.40 | \$29,075.31 |
| Total Equity | <u>\$461,136.85</u> | <u>\$426,510.45</u> |

Denham Family Superannuation Fund
Notes to the Financial Statements
For the Year ended 30 June 2020

1. Summary of Significant Accounting Policies

(a) Basis of Preparation

The trustee has prepared the financial statements on the basis that the superannuation fund is a non-reporting entity because there are no users dependent on special purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the trustee has determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis.

(b) Measurements of Investments

Investments of the fund have been measured at net market values after allowing for costs of realisation. Changes in the net market value of assets are brought to account in the operating statement in the periods in which they occur.

Net market values have been determined as follows:

- (i) Shares and other securities listed on the Australian Stock Exchange by reference to the relevant market 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) Insurance policies by reference to the surrender value of the policy; and
- (iv) Investment properties at the trustees' assessment of the realisable value.

(c) 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.

(d) 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.

Denham Family Superannuation Fund

Profit & Loss [Last Year Analysis]

July 2019 through June 2020

03/06/2021
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| | This Year | Last Year | % Difference |
|--------------------------------|--------------------|--------------------|---------------|
| Income | | | |
| Rent income | \$49,200.00 | \$45,100.00 | 9.1% |
| Interests Received | \$7.48 | \$58.42 | (87.2%) |
| Netwealth Distribution | \$3,650.23 | \$2,899.10 | 25.9% |
| Increase Value of Investments | -\$2,463.42 | \$0.00 | NA |
| Contributions | | | |
| Warren - Employer contribution | \$8,398.00 | \$7,635.40 | 10.0% |
| Michael-Employer contribution | \$8,398.00 | \$7,635.40 | 10.0% |
| Michelle-Employer contribution | \$4,940.00 | \$2,850.00 | 73.3% |
| ElisabethEmployer super contri | \$4,940.00 | \$2,850.00 | 73.3% |
| Total Contributions | \$26,676.00 | \$20,970.80 | 27.2% |
| ATO Super -Michelle | \$4,740.32 | \$0.00 | NA |
| Total Income | <u>\$81,810.61</u> | <u>\$69,028.32</u> | <u>18.5%</u> |
| Expenses | | | |
| Accounting & Audit Fees | \$875.00 | \$0.00 | NA |
| Strata Management | \$5,171.64 | \$6,500.33 | (20.4%) |
| Bank Charges | \$420.00 | \$398.45 | 5.4% |
| Netwealth Admin Costs | \$1,930.37 | \$1,795.23 | 7.5% |
| Borrowing expenses | \$1,609.20 | \$1,609.20 | 0.0% |
| Filing Fees | \$259.00 | \$259.00 | 0.0% |
| Insurance | \$5,800.62 | \$4,382.83 | 32.3% |
| Rates | \$1,539.93 | \$2,399.69 | (35.8%) |
| Employment Expenses | | | |
| ASIC | \$401.00 | \$316.00 | 26.9% |
| Decrease Value of Investments | \$0.00 | \$462.65 | (100.0%) |
| Sydney water | \$318.70 | \$388.80 | (18.0%) |
| Total Expenses | <u>\$18,325.46</u> | <u>\$18,512.18</u> | <u>(1.0%)</u> |
| Operating Profit | <u>\$63,485.15</u> | <u>\$50,516.14</u> | <u>25.7%</u> |
| Other Income | | | |
| Other Expenses | | | |
| Interest Expense | \$20,605.41 | \$20,023.79 | 2.9% |
| Income Tax Expense | \$8,253.34 | \$1,417.04 | 482.4% |
| Total Other Expenses | <u>\$28,858.75</u> | <u>\$21,440.83</u> | <u>34.6%</u> |
| Net Profit / (Loss) | <u>\$34,626.40</u> | <u>\$29,075.31</u> | <u>19.1%</u> |

**Self Managed Superannuation Fund
Independent Auditor's Report
For the Year Ended 30 June 2020**

Approved SMSF Auditor Details

| | |
|---------------------------|-----------------------------------------------------|
| Name | Mark Bonney |
| Business Name | DAB Financial Solutions |
| Business Postal Address | Suite 502, 24 Hunter Street, Parramatta NSW 2150 |
| SMSF Auditor Number (SAN) | 100 152 690 |

Self Managed Superannuation Fund Details

| | |
|-----------------------------------------------------------|-------------------------------------|
| Self Managed Superannuation Fund (SMSF) Name | Denham Family Superannuation Fund |
| Australian Business Number (ABN) or Tax File Number (TFN) | ABN 72 852 347 753 |
| Address | 38 Peachtree Road, Penrith NSW 2750 |
| Year of Income Being Audited | 2020 |

To the SMSF Trustees

To the SMSF trustees of Denham 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 2020, and the Operating Statement, Notes to the Financial Statements and the Trustees' Declaration of Denham Family Superannuation Fund for the year ended 30 June 2020.

SMSF Trustee's Responsibility for the Financial Report

Each SMSF trustee (or trustee director) 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 Superannuation Industry (Supervision) Act 1993 (SISA) and the Superannuation Industry (Supervision) Regulations 1994 (SISR). Each trustee is also responsible for such internal control 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 trustee. I have complied with the auditor independence requirements prescribed by the SISR and 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.

Self Managed Superannuation Fund Independent Auditor's Report For the Year Ended 30 June 2020

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 trustee's 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 trustee's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustee, 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.

Basis for Qualified Approved SMSF Auditor's Opinion or Disclaimer of Approved SMSF Auditor's Opinion or Adverse Approved SMSF Auditor's Opinion

In my judgment, there is no basis to qualify this opinion.

Qualified Approved SMSF Auditor's Opinion or Disclaimer of Approved SMSF Auditor's Opinion or Adverse 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 2020 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 Denham 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 purpose.

Part B: Compliance Report

SMSF Trustee's Responsibility for Compliance

Each SMSF trustee is 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 trustee's compliance, based on the compliance engagement.

I/My firm apply/applies Australian Standard on Quality Control 1 and accordingly maintain/maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Self Managed Superannuation Fund
Independent Auditor's Report
For the Year Ended 30 June 2020**

I have complied with the competency standards set by ASIC, the auditor independence requirements prescribed by the SISR and the ethical requirements relating to assurance engagements which are founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. My audit has been conducted in accordance with applicable Standards on Assurance Engagements, to provide reasonable assurance that the trustee of the fund has 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

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 2020.

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 trustee has an investment strategy, that the trustee has given consideration to risk, return, liquidity, 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.

Basis for Qualified Approved SMSF Auditor's Conclusion or Disclaimer of Approved SMSF Auditor's Conclusion or Adverse Approved SMSF Auditor's Conclusion

In my judgment, there is no basis to qualify this opinion.

Qualified Approved SMSF Auditor's Conclusion or Disclaimer of Approved SMSF Auditor's Conclusion or Adverse Approved SMSF Auditor's Conclusion

In my opinion, each trustee of Denham Family Superannuation Fund has complied, in all material respects, with the requirements of the SISA or the SISR specified above, for the year ended 30 June 2020.

Signature

Signature of Approved SMSF Auditor



Date

09day of..... June2021

**Self Managed Superannuation Fund
Independent Auditor's Report
For the Year Ended 30 June 2020**

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 financial statements |
| S35C(2) | The trustees must provide the auditor with the necessary documents to complete the audit in a timely manner 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">- fund members upon their retirement- fund members upon reaching a prescribed age- the dependents of a fund member in the case of the 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 |

**Self Managed Superannuation Fund
Independent Auditor's Report
For the Year Ended 30 June 2020**

| | |
|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 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 | 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 benefits must be maintained in the fund until transferred, rolled over, allotted (to the member's spouse) or cashed 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 the 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. |