

PIETROGRAZIA SUPERANNUATION FUND

FINANCIAL STATEMENTS

AND REPORTS

FOR THE PERIOD 1 JULY 2017 TO 30 JUNE 2018

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PIETROGRAZIA SUPERANNUATION FUND
BALANCE SHEET AS AT 30 JUNE 2018

	2018	2017
	\$	\$
Investments		
Real Estate Properties (Australian)	988,000.00	988,000.00
	988,000.00	988,000.00
Other Assets		
Westpac 221418	3,464.45	3,405.49
Westpac 268099	47,269.32	37,632.66
GST Payable/Refundable	145.16	-
Income Tax Refundable (Note 7)	4,403.00	-
	55,281.93	41,038.15
Total Assets	1,043,281.93	1,029,038.15
Less:		
Liabilities		
GST Payable/Refundable	-	1,353.50
Income Tax Payable (Note 7)	-	3,654.35
Sundry Creditors	5,606.00	5,229.60
	5,606.00	10,237.45
Net Assets Available to Pay Benefits	1,037,675.93	1,018,800.70
Represented by:		
Liability for Accrued Benefits (Notes 2, 3, 4)		
Pietrograzia, Venanzio	0.01	-
Pietrograzia , Flavia	423,840.56	399,676.07
Pietrograzia, Venanzio	424,473.24	444,084.08
Pietrograzia, Venanzio	30,115.27	31,508.73
Pietrograzia, Venanzio	137,201.78	143,531.82
Pietrograzia, Venanzio	21,751.47	-
Current Profit/(Loss) and Benefits Paid not yet allocated to members accounts	293.60	-
	1,037,675.93	1,018,800.70

The accompanying notes form part of these financial statements

PIETROGRAZIA SUPERANNUATION FUND
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
Income		
Employer Contributions - Concessional	50,000.00	70,000.00
Increase in Market Value of Investments (Note 5)	-	62,728.27
Interest Received	652.16	3,033.45
Member/Personal Contributions - Non Concessional (Undeducted)	-	106,000.00
Other Contributions - Non Taxable	1,000.00	-
Rent Received	23,847.42	31,883.85
	75,499.58	273,645.57
Expenses		
Accountancy Fees	2,410.00	4,905.60
ATO Supervisory Levy	259.00	259.00
Auditor's Remuneration	-	1,260.00
Bank Charges	18.00	29.50
Pensions Paid - Unrestricted Non Preserved - Tax Free	5,341.84	31.99
Pensions Paid - Unrestricted Non Preserved - Taxable	25,658.16	18,481.56
Rental Property Expenses	15,476.35	16,166.15
	49,163.35	41,133.80
Benefits Accrued as a Result of Operations before Income Tax	26,336.23	232,511.77
Income Tax (Note 7)		
Income Tax Expense	7,461.00	11,404.35
Prior Years Under/Over Provision for Income Tax	-	546.75
	7,461.00	11,951.10
Benefits Accrued as a Result of Operations	18,875.23	220,560.67

The accompanying notes form part of these financial statements

PIETROGRAZIA SUPERANNUATION FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

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 a cash basis unless stated otherwise and are based on historical costs, except for investments which have been measured at market values.

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 by the trustees/ directors of the trustee company

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 values, 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:

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

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 their market values. Any remeasurement changes in the gross values 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 at the fair value of the consideration received or receivable.

PIETROGRAZIA SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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 balance sheet 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).

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. 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 balance sheet.

f. Critical Accounting Estimates and Judgements

The preparation of financial statements requires the trustees 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.

2. Liability for Accrued Benefits

Changes in the Liability for Accrued Benefits are as follows:

	2018	2017
	\$	\$
Liability for Accrued Benefits at beginning of period	1,018,800.70	798,240.03
Add:		
Benefits Accrued as a Result of Operations	18,875.23	220,560.67

PIETROGRAZIA SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

- Adjustment of Deferred Tax Liability /Deferred Tax Asset	(293.60)	-
Liability for Accrued Benefits at end of period	1,037,382.33	1,018,800.70

3. Vested Benefits

Vested benefits are benefits which are not conditional upon continued membership of the fund (or any other factor other than resignation from the fund) and include benefits which members were entitled to receive had they terminated their fund membership as at the reporting date.

	2018	2017
	\$	\$
Vested Benefits	1,037,382.33	1,018,800.70

4. Guaranteed Benefits

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

5. Changes in Market Values

Investments and other assets of the fund are valued at the end of the reporting period as described in Note 1 - Summary of Significant Accounting Policies. A detailed schedule of investments is attached to these financial statements. A summary of the change in Market Values is as follows:

	2018	2017
	\$	\$
Real Estate Properties (Australian)	-	62,728.27
	-	62,728.27

6. Funding Arrangements

The employer and members contributed to the fund a percentage of the gross salaries of the employees who were members of the fund as follows:

	2018	2017
	\$	\$
Employer		
Members		

7. Income Tax

Income Tax is payable by the superannuation fund at the rate of 15% on the contributions received and the income of the fund. There has been no change in the Income Tax rate during the year.

The Income Tax payable by the superannuation fund has

PIETROGRAZIA SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

been calculated as follows:

	2018	2017
	\$	\$
Benefits accrued as a result of operations before income tax	26,336.23	232,511.77
Prima facie income tax on accrued benefits	3,950.43	34,876.77
Add/(Less) Tax Effect of:		
Increase in Market Value of Investments	-	(9,409.24)
Member/Personal Contributions - Non Concessional (Undeducted)	-	(15,900.00)
Other Contributions - Non Taxable	(150.00)	-
Accountancy Fees	361.50	367.35
Auditor's Remuneration	-	94.35
Bank Charges	2.70	2.21
Pensions Paid - Unrestricted Non Preserved - Tax Free	801.28	4.80
Pensions Paid - Unrestricted Non Preserved - Taxable	3,848.72	2,772.23
Rental Property Expenses	2,321.45	1,210.57
Exempt Pension Income	(3,675.00)	(2,614.65)
Other	(.08)	(.04)
	<u>3,510.57</u>	<u>(23,472.42)</u>
Income Tax Expense	<u>7,461.00</u>	<u>11,404.35</u>

Income tax expense comprises:

Income Tax Payable/(Refundable)	(4,403.00)	3,654.35
Tax Instalments Paid	11,864.00	7,750.00
	<u>7,461.00</u>	<u>11,404.35</u>

**8. Reconciliation of Net Cash provided by
Operating Activities to Benefits Accrued from Operations
after Income Tax**

	2018	2017
	\$	\$
Benefits accrued from operations after income tax	18,875.23	220,560.67
Add/(Less) non cash amounts included in benefits accrued from operations		
Increase in Market Value of Investments	-	(62,728.27)
Accountancy Fees	2,640.00	2,569.60
ATO Supervisory Levy	259.00	-
Auditor's Remuneration	-	660.00
Income Tax Expense	7,461.00	11,404.35
Prior Years Under/Over Provision for Income Tax	-	546.75
Other non cash items	(17,276.01)	(4,191.85)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	<u>(6,916.01)</u>	<u>(51,739.42)</u>
Net cash provided by operating activities	<u>11,959.22</u>	<u>168,821.25</u>

9. Reconciliation of Cash

For the purpose of the cash flow statement, cash includes cash on hand and in banks. Cash at the end of the reporting period as shown in the cash flow statement is reconciled to the related item in the Balance Sheet or Statement of Net Assets as follows:

	2018	2017
	\$	\$
Cash	<u>50,733.77</u>	<u>41,038.15</u>
