

T & J Arnott Superannuation Fund

Financial Statements & Reports

for the year ended

30 June 2020



Sam Greco & Co
Level 1, 1355 Gympie Road, ASPLEY QLD 4032
PO Box 354, ASPLEY QLD 4034
ABN: 16230504491
Phone 07 3263 5200 Fax 07 3263 4830
Email: info@taxonline.com.au

T & J Arnott Superannuation Fund

Operating Statement

For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Income			
Investment Income			
Trust Distributions	9	47.70	68.89
Other Investment Income		6.33	2.22
Investment Gains			
Changes in Market Values	10	90,652.69	2,855.78
Contribution Income			
Personal Concessional		7,100.00	0.00
Personal Non Concessional		40,100.00	0.00
Other Contributions		3,500.00	0.00
Transfers In		15,000.00	0.00
Total Income		<u>156,406.72</u>	<u>2,926.89</u>
Expenses			
Accountancy Fees		0.00	1,100.00
ATO Supervisory Levy		259.00	259.00
Auditor's Remuneration		330.00	253.00
Bank Charges		120.00	120.00
Interest Paid		0.01	0.00
		<u>709.01</u>	<u>1,732.00</u>
Member Payments			
Pensions Paid		15,000.00	0.00
Total Expenses		<u>15,709.01</u>	<u>1,732.00</u>
Benefits accrued as a result of operations before income tax			
		<u>140,697.71</u>	<u>1,194.89</u>
Income Tax Expense	11	702.83	(38.40)
Benefits accrued as a result of operations		<u>139,994.88</u>	<u>1,233.29</u>

The accompanying notes form part of these financial statements.

T & J Arnott Superannuation Fund
Statement of Financial Position

As at 30 June 2020

	Note	2020 \$	2019 \$
Assets			
Investments			
Cryptocurrency	2	16,593.40	19,633.53
Shares in Listed Companies (Australian)	3	144,131.89	1,920.00
Units in Listed Unit Trusts (Australian)	4	1,026.70	1,165.29
Total Investments		<u>161,751.99</u>	<u>22,718.82</u>
Other Assets			
Commonwealth Bank		2,387.87	653.15
Income Tax Refundable		0.00	108.58
Total Other Assets		<u>2,387.87</u>	<u>761.73</u>
Total Assets		<u>164,139.86</u>	<u>23,480.55</u>
Less:			
Liabilities			
Income Tax Payable		664.43	0.00
Total Liabilities		<u>664.43</u>	<u>0.00</u>
Net assets available to pay benefits		<u>163,475.43</u>	<u>23,480.55</u>
Represented by:			
Liability for accrued benefits allocated to members' accounts	6, 7		
Arnott, Thomas Benjamin Paul - Accumulation		0.00	333.66
Arnott, Thomas Benjamin Paul - Pension (Account Based Pension 2)		444.12	0.00
Arnott, Thomas Benjamin Paul - Pension (Account Based Pension 3)		10,171.27	0.00
Arnott, Thomas Benjamin Paul - Pension (Account Based Pension 4)		177.83	0.00
Arnott, Thomas Benjamin Paul - Pension (Account Based Pension 5)		64,216.66	0.00
Arnott, Thomas Benjamin Paul - Pension (Account Based Pension 6)		13,469.30	0.00
Arnott, Jacqueline Anne - Accumulation		0.00	23,146.89
Arnott, Jacqueline Anne - Pension (Account Based Pension)		69,885.80	0.00
Arnott, Jacqueline Anne - Pension (Account Based Pension 2)		315.50	0.00
Arnott, Jacqueline Anne - Pension (Account Based Pension 3)		4,794.95	0.00
Total Liability for accrued benefits allocated to members' accounts		<u>163,475.43</u>	<u>23,480.55</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 1: Summary of Significant Accounting Policies

The trustees have prepared the financial statements on the basis that the Superannuation Fund is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Superannuation Industry (Supervision) Act 1993 and associated Regulations, the trust deed of the Fund and the needs of members.

The financial statements have been prepared on a cash basis and are based on historical costs, except for investments which have been measured at market value.

The following significant accounting policies, which are consistent with the policies applied in the previous period unless otherwise stated, have been adopted in the preparation of the financial statements.

The financial statements were authorised for issue by the Director(s).

a. Measurement of Investments

The Fund initially recognises:

- (i) an investment when it controls the future economic benefits expected to flow from the asset. For financial assets, the trade date is considered to be the date on which control of the future economic benefits attributable to the asset passes to the Fund; and
- (ii) a financial liability on the date it becomes a party to the contractual provisions of the instrument.

Investments of the Fund have been measured at market value, which refers to the amount that a willing buyer could reasonably be expected to pay to acquire an asset from a willing seller if the following assumptions were 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) unlisted investments are stated at trustees' assessment based on estimated market value at balance date or where necessary, an external valuer's opinion; and
- (v) investment properties at the trustees' assessment of the market value or where necessary a qualified independent valuer's opinion at the end of reporting period.

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 values 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 to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. Revenue is recognised at the fair value of the consideration received or receivable.

Notes to the Financial Statements

For the year ended 30 June 2020

Interest revenue

Interest revenue is recognised in respect of fixed-interest securities, and cash and cash equivalent balances. Interest revenue is recognised upon receipt.

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 unit trusts and managed funds are recognised as at the date the unit value is quoted ex-distribution 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.

Remeasurement changes in market values

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

Contributions

Contributions and transfers in are recognised when the control and the benefits from the revenue have been attained and are recorded by the Fund, gross of any taxes, in the period to which they relate.

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. 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.

Note 2: Cryptocurrency

	2020 \$	2019 \$
Bitcoin	16,461.86	19,464.41
Ethereum	131.54	169.12
	16,593.40	19,633.53

Note 3: Shares in Listed Companies (Australian)

2020 \$	2019 \$
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Notes to the Financial Statements

For the year ended 30 June 2020

Challenger Exploration Limited	70,675.78	1,920.00
Happy Valley Nutrition Limited	73,456.11	0.00
	144,131.89	1,920.00

Note 4: Units in Listed Unit Trusts (Australian)

	2020 \$	2019 \$
CFS Geared Share	1,026.70	1,165.29
	1,026.70	1,165.29

Note 5: Banks and Term Deposits

	2020 \$	2019 \$
Banks		
Commonwealth Bank	2,387.87	653.15
	2,387.87	653.15

Note 6: Liability for Accrued Benefits

	2020 \$	2019 \$
Liability for accrued benefits at beginning of year	23,480.55	22,247.26
Benefits accrued as a result of operations	139,994.88	1,233.29
Current year member movements	0.00	0.00
Liability for accrued benefits at end of year	163,475.43	23,480.55

Note 7: Vested Benefits

Vested benefits are benefits that 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 end of the reporting period.

	2020 \$	2019 \$
Vested Benefits	163,475.43	23,480.55

Note 8: Guaranteed Benefits

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

Notes to the Financial Statements

For the year ended 30 June 2020

Note 9: Trust Distributions

	2020 \$	2019 \$
CFS Geared Share	47.70	68.89
	47.70	68.89

Note 10: Changes in Market Values**Unrealised Movements in Market Value**

	2020 \$	2019 \$
Cryptocurrency		
Bitcoin	(3,002.55)	16,613.94
Ethereum	(37.58)	476.01
Ripple XRP	0.00	277.42
	(3,040.13)	17,367.37
Shares in Listed Companies (Australian)		
Challenger Exploration Limited	60,377.93	(4,862.30)
Happy Valley Nutrition Limited	4,443.04	0.00
	64,820.97	(4,862.30)
Units in Listed Unit Trusts (Australian)		
CFS Geared Share	(192.62)	(1,482.90)
	(192.62)	(1,482.90)
Total Unrealised Movement	61,588.22	11,022.17

Realised Movements in Market Value

	2020 \$	2019 \$
Cryptocurrency		
Bitcoin	0.00	(6,056.67)
Ethereum	0.00	(2,424.96)
Ripple XRP	0.00	(1,241.58)
	0.00	(9,723.21)
Shares in Listed Companies (Australian)		
Challenger Exploration Limited	29,064.47	0.00
	29,064.47	0.00

Notes to the Financial Statements

For the year ended 30 June 2020

Units in Listed Unit Trusts (Australian)		
CFS Geared Share	0.00	1,556.81
	0.00	1,556.81
Total Realised Movement	29,064.47	(8,166.40)
Changes in Market Values	90,652.69	2,855.77
Note 11: Income Tax Expense	2020	2019
The components of tax expense comprise	\$	\$
Current Tax	702.83	(38.40)
Income Tax Expense	702.83	(38.40)

The prima facie tax on benefits accrued before income tax is reconciled to the income tax as follows:

Prima facie tax payable on benefits accrued before income tax at 15%	21,104.66	179.23
Less:		
Tax effect of:		
Non Taxable Contributions	6,540.00	0.00
Non Taxable Transfer In	2,250.00	0.00
Increase in MV of Investments	9,238.23	1,653.33
Exempt Pension Income	11.10	0.00
Tax Losses Deducted	232.35	0.00
Realised Accounting Capital Gains	4,359.67	(1,224.96)
Accounting Trust Distributions	7.16	10.33
Add:		
Tax effect of:		
Pension Payments	2,250.00	0.00
Franking Credits	3.57	5.76
Foreign Credits	0.01	0.00
Taxable Trust Distributions	6.62	10.03
Distributed Foreign Income	0.25	0.31
Tax Losses	0.00	243.45
Rounding	0.00	(0.08)

Notes to the Financial Statements

For the year ended 30 June 2020

Income Tax on Taxable Income or Loss	726.60	0.00
Less credits:		
Franking Credits	23.77	38.40
Current Tax or Refund	702.83	(38.40)

Note 12: Subsequent Event - COVID-19

The Coronavirus (Covid-19) pandemic is expected to cause material decline in the market value of the fund investments. The trustees are aware of the uncertainty surrounding the global markets during this time and the effects it will have on the value of the fund investments after the reporting date.

T & J Arnott Superannuation Fund

Investment Performance

As at 30 June 2020

Investment	Opening Value	Purchases / Additions	Sales / Reductions	Closing Value	Realised Market Gain	Unrealised Market Gain	Net Income	Income and Market Gain	Return %
Bank Accounts									
Commonwealth Bank	653.15	0.00	0.00	2,387.87	0.00	0.00	0.00	0.00	0.00 %
	653.15	0.00	0.00	2,387.87	0.00	0.00	0.00	0.00	0.00 %
Cryptocurrency									
BITCOIN Bitcoin	19,464.41	0.00	0.00	16,461.86	0.00	(3,002.55)	0.00	(3,002.55)	(15.43) %
ETHEREUM Ethereum	169.12	0.00	0.00	131.54	0.00	(37.58)	0.00	(37.58)	(22.22) %
	19,633.53	0.00	0.00	16,593.40	0.00	(3,040.13)	0.00	(3,040.13)	(15.48) %
Shares in Listed Companies (Australian)									
CEL.AX Challenger Exploration Limited	1,920.00	29,158.34	20,780.49	70,675.78	29,064.47	60,377.93	0.00	89,442.40	868.55 %
HVM.AX Happy Valley Nutrition Limited	0.00	69,013.07	0.00	73,456.11	0.00	4,443.04	0.00	4,443.04	6.44 %
	1,920.00	98,171.41	20,780.49	144,131.89	29,064.47	64,820.97	0.00	93,885.44	118.38 %
Units in Listed Unit Trusts (Australian)									
TJAR0004 CFS Geared Share	1,165.29	54.03	0.00	1,026.70	0.00	(192.62)	71.47	(121.15)	(9.94) %
	1,165.29	54.03	0.00	1,026.70	0.00	(192.62)	71.47	(121.15)	(9.94) %
	23,371.97	98,225.44	20,780.49	164,139.86	29,064.47	61,588.22	71.47	90,724.16	89.99 %

T & J Arnott Superannuation Fund
Investment Summary Report

As at 30 June 2020

Investment	Units	Market Price	Market Value	Average Cost	Accounting Cost	Unrealised Gain/(Loss)	Gain/(Loss)%	Portfolio Weight%
Cash/Bank Accounts								
Commonwealth Bank		2,387.870000	2,387.87	2,387.87	2,387.87			1.45 %
			2,387.87		2,387.87		0.00 %	1.45 %
Cryptocurrency								
BITCOIN Bitcoin	1.24	13,272.800000	16,461.86	6,563.93	8,141.05	8,320.81	102.21 %	10.03 %
ETHEREUM Ethereum	0.40	326.680000	131.54	221.78	89.30	42.24	47.30 %	0.08 %
RIPPLE-XRP Ripple XRP	0.00	0.255450	0.00	(2.39)	(0.01)	0.01	(100.00) %	0.00 %
			16,593.40		8,230.34	8,363.06	101.61 %	10.11 %
Shares in Listed Companies (Australian)								
CEL.AX Challenger Exploration Limited	307,286.00	0.230000	70,675.78	0.06	19,070.05	51,605.73	270.61 %	43.06 %
HVM.AX Happy Valley Nutrition Limited	349,791.00	0.210000	73,456.11	0.20	69,013.07	4,443.04	6.44 %	44.75 %
			144,131.89		88,083.12	56,048.77	63.63 %	87.81 %
Units in Listed Unit Trusts (Australian)								
TJAR0004 CFS Geared Share	798.87	1.285200	1,026.70	(2.44)	(1,952.13)	2,978.83	(152.59) %	0.63 %
			1,026.70		(1,952.13)	2,978.83	(152.59) %	0.63 %
Units in Unlisted Unit Trusts (Australian)								
TJARANCHO Anchorage Investment Trust R	1,862.74	0.000000	0.00	1.00	1,862.71	(1,862.71)	(100.00) %	0.00 %
			0.00		1,862.71	(1,862.71)	(100.00) %	0.00 %
			164,139.86		98,611.91	65,527.95	66.45 %	100.00 %

T & J Arnott Superannuation Fund

Realised Capital Gains Report

For The Period 01 July 2019 - 30 June 2020

Investment		Accounting Treatment				Tax Treatment						
Purchase Contract Date	Disposal Contract Date	Units	Cost	Proceeds	Accounting Profit/(Loss)	Adjusted Cost Base	Reduced Cost Base	Indexed Cost Base	Indexed Gains	Discounted Gains (Gross)	Other Gains	Capital Loss
Shares in Listed Companies (Australian)												
CEL.AX - Challenger Exploration Limited												
16/12/2019	05/02/2020	125,714.00	10,088.29	21,931.75	11,843.46	10,088.29	10,088.29	0.00	0.00	0.00	11,843.46	0.00
12/07/2018	05/02/2020	30,000.00	1,582.30	5,233.73	3,651.43	1,582.30	1,582.30	0.00	0.00	3,651.43	0.00	0.00
25/06/2018	05/02/2020	29,046.00	1,742.74	5,067.29	3,324.55	1,742.74	1,742.74	0.00	0.00	3,324.55	0.00	0.00
22/06/2018	05/02/2020	22,000.00	1,320.00	3,838.07	2,518.07	1,320.00	1,320.00	0.00	0.00	2,518.07	0.00	0.00
21/06/2018	05/02/2020	16,000.00	960.00	2,791.32	1,831.32	960.00	960.00	0.00	0.00	1,831.32	0.00	0.00
20/06/2018	05/02/2020	12,955.00	807.21	2,260.10	1,452.89	807.21	807.21	0.00	0.00	1,452.89	0.00	0.00
10/04/2018	05/02/2020	20,000.00	1,700.00	3,489.15	1,789.15	1,700.00	1,700.00	0.00	0.00	1,789.15	0.00	0.00
09/04/2018	05/02/2020	29,999.00	2,579.95	5,233.55	2,653.60	2,579.95	2,579.95	0.00	0.00	2,653.60	0.00	0.00
		285,714.00	20,780.49	49,844.96	29,064.47	20,780.49	20,780.49	0.00	0.00	17,221.01	11,843.46	0.00
		285,714.00	20,780.49	49,844.96	29,064.47	20,780.49	20,780.49	0.00	0.00	17,221.01	11,843.46	0.00
		285,714.00	20,780.49	49,844.96	29,064.47	20,780.49	20,780.49	0.00	0.00	17,221.01	11,843.46	0.00

T & J Arnott Superannuation Fund
Investment Income Report

As at 30 June 2020

Investment	Total Income	Franked	Unfranked	Interest/ Other	Franking Credits	Foreign Income	Foreign Credits *1	Assessable Income (Excl. Capital Gains) *2	TFN Credits	Other Deductions	Distributed Capital Gains	Non-Assessable Payments
Other Investment Income												
CFS Fee Rebate	6.33							6.33				
	6.33							6.33				
Units in Listed Unit Trusts (Australian)												
TJAR0004 CFS Geared Share	47.70	35.64	7.43	1.04	23.77	1.66	0.06	69.60		0.00	0.00	1.93
	47.70	35.64	7.43	1.04	23.77	1.66	0.06	69.60		0.00	0.00	1.93
	54.03	35.64	7.43	1.04	23.77	1.66	0.06	75.93		0.00	0.00	1.93

Assessable Income (Excl. Capital Gains) **75.93**

Net Capital Gain **0.00**

Total Assessable Income 75.93

* 1 Includes foreign credits from foreign capital gains.

* 2 Assessable Income in the SMSF Annual Return will be different as capital gains and losses from disposals of assets have not been included.

For a breakdown of Distributed Capital Gains and Non-Assessable Payments refer to Distributions Reconciliation Report.

T & J Arnott Superannuation Fund

Trustees Declaration

Inavik Pty Ltd ACN: 064678324

The directors of the trustee company 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 described in Note 1 to the financial statements.

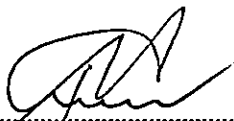
The directors of the trustee company declare that:

- (i) the financial statements and notes to the financial statements for the year ended 30 June 2020 present fairly, in all material respects, the financial position of the Superannuation Fund at 30 June 2020 and the results of its operations for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
- (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 and associated Regulations during the year ended 30 June 2020.


Specifically, the directors of the trustee company declare that:

- in accordance with s120 of the Superannuation Industry (Supervision) Act 1993, no individual trustee has been or is a disqualified person;
- the Fund has satisfactory title to all assets, all assets are unencumbered and free from charge as prescribed by s50 of the Superannuation Industry (Supervision) Act 1993 and reg13.14 of the Superannuation Industry (Supervision) Regulations 1994; and
- to the knowledge of the directors of the trustee company, there have been no events or transactions subsequent to the balance date which could have a material impact on the Fund. Where such events have occurred, the effect of such events has been accounted and noted in the Fund's financial statements.

Signed in accordance with a resolution of the directors of the trustee company by:



.....
Thomas Benjamin Paul Arnott
Inavik Pty Ltd
Director



.....
Jacqueline Anne Arnott
Inavik Pty Ltd
Director

Dated this 25th July day of 2021

T & J Arnott Superannuation Fund

Compilation Report

We have compiled the accompanying special purpose financial statements of the T & J Arnott Superannuation Fund which comprise the statement of financial position as at 30/06/2020 the operating statement for the year then ended, 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 the Trustee(s)

The Trustee(s) of T & J Arnott 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 used is appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of information provided by the Trustee(s), we have compiled the accompanying special purpose financial statements in accordance with the financial reporting framework 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 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 conclusion on these financial statements.

The special purpose financial statements were compiled exclusively for the benefit of the directors of the trustee company 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.

Sam Greco & Co Chartered Accountants

of

Level 1 Mitcham House 1355 Gympie Road, Aspley, Queensland 4034

Signed: 

Dated: 17, 2021