

Ms Alexandra Leahy  
Emerald Skies Pty Ltd  
Trustee for the ARC Superannuation Fund  
23 Cooyar Street  
**ASPLEY QLD 4034152**

Dear Trustees

ARC Superannuation Fund  
**Audit Engagement Letter**

**Objectives and Scope of the Audit**

You have requested that we audit the financial statements of the SMSF for the year ended 30 June 2018. We are pleased to confirm our acceptance and understanding of this engagement by means of this letter.

Our audit will be performed in accordance with Australian Auditing Standards, the *Superannuation Industry (Supervision) Act 1993* (SISA) and the *Superannuation Industry (Supervision) Regulations* (SISR) with the objective of expressing an opinion on the financial report and the fund's compliance with the specified requirements of the SISA and the SISR.

**Our Responsibilities**

We will conduct our audit in accordance with Australian Auditing Standards. Those Auditing Standards require that we 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.

An audit involves performing audit 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. An audit also includes evaluating the appropriateness of the financial reporting framework, accounting policies used and the implementation and operation of accounting and internal control systems that are designed to prevent and detect fraud and error, as well as evaluating the overall presentation of the financial report.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatement may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

In making our risk assessments, we consider internal control relevant to the entity's preparation 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 on the effectiveness of the entity's internal control. We will, however, communicate to you in writing any significant deficiencies in internal control relevant to the audit of the financial report that we have identified during the audit.

**Trustees' Responsibilities**

Our audit will be conducted on the basis that the trustee(s) acknowledge and understand that they have responsibilities:

- For the preparation of the financial report that gives a true and fair view in accordance with the Australian Auditing Standards, other mandatory reporting requirements and the SIS Act and SIS Regulations is that of the trustee(s);
- For such internal control as the trustee(s) determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error; and

- To provide us with:
  - Access to all information of which the trustees are aware that is relevant to the preparation of the financial report such as records, documentation and other matters;
  - Additional information that we may request from the trustees for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from trustees written confirmation concerning representations made to us in connection with the audit.

Australian Auditing Standards require that we determine whether the financial reporting framework applied in the preparation of this special purpose of financial report is acceptable. If we determine the financial reporting framework to be unacceptable, we will not be able to undertake the audit engagement unless the framework is amended and then determined to be acceptable.

If a qualified audit report is to be issued following the completion of our audit, we will advise the details to you in a timely manner and prior to the issue of our report.

### **Audit of SIS Compliance**

For the year ended 30 June 2018, we are required to form an opinion in respect of compliance with certain aspects of SIS. Our report must refer to the following sections and regulations:

Sections: 17A, 35AE, 35B, 35C(2), 52, 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, 13.22C

### **Report on Significant Matters**

Under section 129 of the SISA we are required to report to you in writing. If during the course of, or in connection with, our audit, we become aware of any contravention of the Act or Regulations which we believe has occurred, is occurring or may occur.

We are also required to report to the ATO, as regulator, any contravention of the SISA and the SISR, where we believe the contravention may affect the interests of the members of beneficiaries of the fund.

In addition, we are also required under section 130 to report to you if we believe the superannuation fund may be, or may be about to become, in an unsatisfactory financial position. If we are not satisfied with your response as trustee(s) as to the action taken to rectify the situation or we receive no response, we are obliged to report the matter to the ATO.

A failure on the part of the trustee to rectify these breaches to the satisfaction of the ATO may result in significant penalties to the trustee and the fund itself.

In addition to our report on the financial statements, we will also report to you any material weaknesses in the fund's system of accounting and internal control which come to our notice during the course of our audit.

### **Quality Control**

The conduct of our audit in accordance Australian Auditing Standards means that information acquired by us in the course of our audit is subject to strict confidentiality requirements. Information will not be disclosed by us to other parties except as required or allowed for by law or professional standards, or with your expressed consent.

Our audit files may, however, be subject to review as part of the quality control review program of Regulators and or Professional Bodies which monitors compliance with professional standards by its members.

We advise you that by signing this letter you acknowledge that, if requested, our audit files relating to this audit will be made available under this program. Should this occur, we will advise you. The same strict confidentiality requirements apply under this program as apply to us as your auditor.

#### **Independence/Conflict of Interest**

We have established policies and procedures designed to ensure our independence, including policies on holding financial interests in the superannuation fund and other related parties, rotation of audit partners, business relationships, employment relationships, and the provision of non-audit services in accordance with professional statement APES 110 – Code of Ethics for Professional Accountants.

#### **Outsourced Services**

We do not use any outsourced services in overseas locations when conducting client assignments.

#### **Data Storage**

We use data storage located in the office but it may be replicated to other locations.

Accepting our services as part of this engagement agreement indicates your acceptance of the use of outsourced services, cloud hosted software and outsourced data storage under the conditions outlined above.

#### **Limitation of Liability**

Our firm's liability to you or any other user of the audit report is limited by a Scheme approved under Professional Standards Legislation.

#### **Other**

We would appreciate acknowledgement of terms and conditions set out in this letter. Please note that this letter will be effective for future years unless the terms of the engagement are altered by future correspondence.

Please sign and return the attached copy of this letter to indicate that it is in accordance with your understanding of the arrangements for our audit of the financial report.

If you have any queries in relation to this please contact me.


To: MR ANTHONY BOYS

I/We hereby confirm your appointment as Auditor under the above terms of engagement.

For and on behalf of Emerald Skies Pty Ltd as trustee for the ARC Superannuation Fund

**Signed &**

**Dated**

  
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Yours sincerely

ANTHONY BOYS – REGISTERED COMPANY AUDITOR

**DATED:**

Signed document to be returned to P.O. Box 3376 Rundle Mall 5000

ANTHONY BOYS  
PO BOX 3376,  
RUNDLE MALL 5000

Dear Anthony,

**Emerald Skies Pty Ltd as trustee for the ARC Superannuation Fund  
Superannuation Fund Management/Trustee Representation Letter**

In connection with your audit examination of the financial report of ARC Superannuation Fund for the year ended 30 June 2018, hereby confirm, at your request that to best of our knowledge and belief, the following representation relating to the accounts are correct.

**Financial Report**

We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, for the preparation of the financial report.

The trustees have determined that the fund is not a reporting entity for the year ended 30 June 2018 and that the requirement to apply Australian Accounting Standards and other mandatory reporting requirements do not apply to the fund. Accordingly, the financial report prepared is a special purpose financial report, which is for distribution to members of the fund and to satisfy the requirement of the SISA and the SISR, and to confirm that the financial report is free of material misstatements, including omissions.

**Sole Purpose**

The fund has been maintained for the sole purpose of providing superannuation benefits to its members and their dependents.

**Superannuation Fund Books/Records/Minutes**

- (a) We have made available to you all financial records and related data, other information, explanations and assistance necessary for the conduct of the audit.
- (b) We have made available to you Minutes of all trustee(s)' meetings and the Trust Deed.
- (c) We have established and maintained an adequate internal control structure to facilitate the preparation of reliable financial statements, and adequate financial records have been maintained. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
- (d) We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities.
- (e) Records maintained during the period were in accordance with the Australian Taxation Office requirements.

**Asset Form**

The assets of the superannuation fund are being held in a form suitable for the benefit of the members of the fund, and have been held in accordance with the fund's investment strategy.

### **Ownership and Pledging of Assets**

The superannuation fund has satisfactory title to all assets disclosed in the Statement of Financial Position. Investments are registered in the name of the trustee(s).

Apart from the Limited Recourse Borrowing Arrangement (LRBA) to fund the purchase of Lot 240 Ascot Crescent, no assets of the superannuation fund have been pledged to secure liabilities of the superannuation fund or of others. We also confirm that the security for the LRBA is limited to Lot 240 Ascot Crescent and no other asset of the superannuation fund is pledged as security.

### **Investments**

- (a) We have considered the requirement of generally accepted accounting standards in regards to impairment of assets when assessing the impairment of assets and in ensuring that no assets are stated in excess of their recoverable amount.
- (b) There are no commitments, fixed or contingent, for the purchase or sale of long-term investments that have not been disclosed in the financial statements.
- (c) The investment strategy has been determined with due regard to risk, return, liquidity, diversity and the insurance needs of fund members, and the assets of the fund are in line with this strategy.
- (d) All investments are acquired, maintained and disposed of on an arm's length basis.

### **Trust Deed**

The superannuation fund is being conducted in accordance with its Trust Deed.

### **Superannuation Industry (Supervision) Act and Regulations**

- (a) The fund meets the definition of a self-managed superannuation fund under the SISA.
- (b) The fund has been conducted in accordance with the SISA, the SISR and its governing rules at all times during the year. Also there were no amendments to the governing rules during the year, except as notified to you.
- (c) The fund is being conducted in accordance with the SISA and the SISR, in particular the relevant requirements of the following provisions:  
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
- (d) The trustee(s) have been nominated and may only be removed in such manner and circumstances as are allowed in the Trust Deed.
- (e) The trustees are not disqualified persons under s126K of the SISA.
- (f) Any vacancy among the trustee(s) is filled in accordance with the Trust Deed.
- (g) The trustee(s) have complied with all trustee standards set out in SISR and the covenant prescribed by section 52 of the SISA.
- (h) The trustee(s) have complied with all investment standards set out in the SISA and the SISR.

- (i) Information retention obligations have been complied with.
- (j) All contributions accepted and benefits paid have been in accordance with the governing rules of the fund and relevant provisions of the SISA and the SISR.

There are no breaches or possible breaches of the SIS legislation whose effects should be considered for disclosure in the financial report or to the Australian Taxation Office.

#### **Commitments**

- (a) There are no material commitments for construction or acquisition of property, plant and equipment to acquire other non-current assets, such as investments or intangibles, other than those disclosed in the financial report.
- (b) There were no commitments for purchase or sale of securities or assets or any options given by the fund including options over share capital.

#### **Taxation**

- (a) We have calculated income tax expense, current tax liability, deferred tax liability and deferred tax asset according to the definitions of taxable income and allowable deductions. We have calculated and recognised all other applicable taxes according to the relevant tax legislation.
- (b) There are no activities that invoke the anti-avoidance provisions of any applicable tax legislation.

#### **Borrowings**

The trustees have not borrowed money on behalf of the superannuation fund with the exception of borrowings which were allowable under the SIS Act and the SIS Regulations.

#### **Related Parties**

- (a) The fund has not made any loans to, or provided financial assistance to members of the fund or their relatives.
- (b) No asset has been acquired from a member or related party other than as permitted under the SISA and the SISR.
- (c) Related party transactions and related amounts receivable or payable have been properly disclosed in the financial statements.

#### **Accounting Misstatement Detected by Audit**

There has been no misstatement noted by audit during the course of the current year audit.

#### **Insurance**

The superannuation fund has an established procedure whereby an officer reviews at least annually the adequacy of insurance cover on all assets and insurable risks where relevant. This review has been performed and where it is considered appropriate, assets and insurable risks of the superannuation fund are adequately covered by insurance.

#### **Accounting Estimates**

We confirm the significant assumptions used in making accounting estimates are reasonable.

### **Fair Value Measurements and Disclosures**

We confirm that significant assumptions used in fair value measurements and disclosures are reasonable and appropriately reflect our intent and ability to carry out specific courses of action on behalf of the fund.

### **Going Concern**

In the opinion of the trustees there are reasonable grounds to believe that the superannuation fund will be able to:

- Pay its debts as and when they fall due.
- Continue as a going concern for the foreseeable future.

We, therefore, confirm that the going concern basis is appropriate for the financial report.

### **Events after Balance Sheet Date**

We are not aware of any events that have occurred between the financial reporting date to the date of this letter that we need to disclose or recognise in the financial report.

### **Comparative Information**

We confirm that there have been no restatements made to correct a material misstatement in the prior period financial report that affects the comparative information.

### **Fraud and Error**

- (a) There has been no:
  - (i) Fraud, error, or non-compliance with laws and regulations involving management or employees who have a significant role in the internal control structure.
  - (ii) Fraud, error, or non-compliance with laws and regulations that could have a material effect on the financial report.
  - (iii) Communication from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.
- (b) The superannuation fund has disclosed to the auditor all significant facts relating to any frauds or suspected frauds known to management that may have affected the superannuation fund.
- (c) The superannuation fund has disclosed to the auditor the results of its assessment of the risk that the financial report may be materially misstated as a result of fraud.

### **Legal Matters**

We confirm that all matters that may result in legal action against the fund or the trustees in respect of the fund, have been discussed with a solicitor and brought to the attention of the auditor so that a solicitor's representation letter may be obtained.

### **General**

- (a) Neither the superannuation fund nor any Trustees have any plans or intentions that may materially affect the book value or classification of assets and liabilities at balance sheet date.
- (b) The superannuation fund accepts responsibility for the implementation and operations of accounting and internal control systems that are designed to prevent and detect fraud and error. We have established and maintained adequate internal control to

facilitate the preparation of a reliable financial report, and adequate financial records have been maintained. There are no material transactions that have not been properly recorded in the accounting records underlying the financial report.

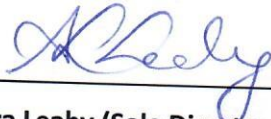
- (c) There are no violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial report or as a basis for recording an expense.
- (d) The superannuation fund has complied with all aspects of contractual agreements that would have a material effect on the financial report in the event of non-compliance.

We understand that your examination was made in accordance with the Australian Auditing Standards and was, therefore, designed primarily for the purpose of expressing an opinion on the financial report of the fund taken as a whole, and that your tests of the financial records and other auditing procedures were limited to those which you considered necessary for that purpose.

**Additional Matters**

There are no additional matters.

**Signed by Alexandra Leahy Sole Director Emerald Skies Pty Ltd as Trustee for the ARC Superannuation Fund**



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**Alexandra Leahy (Sole Director – Emerald Skies Pty Ltd Trustee)**

**ARC SUPER FUND**

**FINANCIAL STATEMENTS**

**AND REPORTS**

**FOR THE PERIOD 1 JULY 2017 TO 30 JUNE 2018**

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The Matador Group  
Po Box 3249  
South Brisbane Bc QLD 4101

# **ARC SUPER FUND FINANCIAL STATEMENTS INDEX**

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**ARC SUPER FUND**  
**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018**

	2018	2017
	\$	\$
<b>Investments</b>		
Real Estate Properties (Australian)	511,713.80	511,713.80
	<u>511,713.80</u>	<u>511,713.80</u>
<b>Other Assets</b>		
NAB Bank Account #0205	6,608.38	-
Big Sky Loan Offset Account #2S85	11,309.36	9,776.26
Borrowing Expenses	2,821.88	3,665.44
Sundry Debtors	2,468.14	2,270.14
	<u>23,207.76</u>	<u>15,711.84</u>
<b>Total Assets</b>	<u>534,921.56</u>	<u>527,425.64</u>
<b>Less:</b>		
<b>Liabilities</b>		
Income Tax Payable (Note 7)	518.00	777.00
Bank of Big Sky Loan - Fixed portion Acc#2L85	242,586.27	247,196.37
Bank of Big Sky Loan - Variable portion Acc#2L85.1	100,929.95	103,528.36
	<u>344,034.22</u>	<u>351,501.73</u>
<b>Net Assets Available to Pay Benefits</b>	<u>190,887.34</u>	<u>175,923.91</u>
<b>Represented by:</b>		
<b>Liability for Accrued Benefits (Notes 2, 3, 4)</b>		
Leahy, Alexandra Lorraine (Accumulation)	190,887.34	175,923.91
	<u>190,887.34</u>	<u>175,923.91</u>

The accompanying notes form part of these financial statements

**ARC SUPER FUND  
OPERATING STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<b>Income</b>		
Employer Contributions - Concessional	9,251.66	-
Increase in Market Value of Investments (Note 5)	5,068.00	3,414.00
Interest Received	-	470.70
Rent Received	35,149.35	21,144.40
Transfers In - Preserved/Taxable	3,000.00	5,000.00
	52,469.01	30,029.10
<b>Expenses</b>		
Accountancy Fees	132.00	-
Administration Costs	-	296.00
ATO Supervisory Levy	259.00	259.00
Auditor's Remuneration	275.00	-
Advisor Fee	-	150.00
Borrowing Expenses	843.56	552.36
Bank Charges	-	266.60
Depreciation	5,068.00	3,414.00
Interest Paid	20,256.91	13,499.66
Rental Property Expenses	10,671.11	6,312.93
	37,505.58	24,750.55
<b>Benefits Accrued as a Result of Operations before Income Tax</b>	14,963.43	5,278.55
<b>Income Tax (Note 7)</b>		
Income Tax Expense	-	-
<b>Benefits Accrued as a Result of Operations</b>	14,963.43	5,278.55

The accompanying notes form part of these financial statements

**ARC SUPER FUND**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<b>Cash Flows from Operating Activities</b>		
<b>Contributions</b>		
Employer	9,251.66	-
	9,251.66	-
<b>Fund Transfers</b>		
Transfers in	3,000.00	5,000.00
	3,000.00	5,000.00
<b>Operating Income</b>		
Interest Received	-	470.70
Rent Received	28,800.15	15,916.91
	28,800.15	16,387.61
<b>Operating Expenses</b>		
Accountancy Fees	(132.00)	-
Administration Costs	-	(296.00)
Auditor's Remuneration	(275.00)	-
Advisor Fee	-	(150.00)
Bank Charges	-	(266.60)
Interest Paid	(20,256.91)	(13,499.66)
Rental Property Expenses	(6,790.05)	(3,252.54)
Tax Paid	(518.00)	-
	(27,971.96)	(17,464.80)
<b>Net cash provided by (used in) operating activities (Note 8)</b>	13,079.85	3,922.81
<b>Cash Flows from Investing Activities</b>		
Borrowing Expenses	-	(3,867.80)
Sundry Debtors	2,270.14	-
Real Estate Properties (Australian)	-	(161,442.11)
Bank of Big Sky Loan - Fixed portion Acc#2L85	(4,610.10)	-
Bank of Big Sky Loan - Variable portion Acc#2L85.1	(2,598.41)	-
<b>Net cash provided by (used in) investing activities</b>	(4,938.37)	(165,309.91)
<b>Net Increase/(Decrease) in Cash Held</b>	8,141.48	(161,387.10)
Cash at beginning of reporting period	9,776.26	171,163.36
<b>Cash at end of reporting period (Note 9)</b>	17,917.74	9,776.26

The accompanying notes form part of these financial statements

**ARC SUPER FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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**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.

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**ARC SUPER FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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**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 statement of financial position 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 statement of financial position.

**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	175,923.91	170,645.36
Add:		

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**ARC SUPER FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

Benefits Accrued as a Result of Operations	14,963.43	5,278.55
- Adjustment of Deferred Tax Liability /Deferred Tax Asset	-	-
Liability for Accrued Benefits at end of period	190,887.34	175,923.91

**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	190,887.34	175,923.91

**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)	5,068.00	(161,442.11)
	5,068.00	(161,442.11)

**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

**ARC SUPER FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

rate during the year.

The Income Tax payable by the superannuation fund has been calculated as follows:

	2018	2017
	\$	\$
Benefits accrued as a result of operations before income tax	14,963.43	5,278.55
Prima facie income tax on accrued benefits	2,244.51	791.78
Add/(Less) Tax Effect of:		
Increase in Market Value of Investments	(760.20)	(512.10)
Transfers In - Preserved/Taxable	(450.00)	(750.00)
Depreciation	(871.35)	(513.30)
Tax Losses Recouped	(162.90)	-
Other	(.06)	983.62
	(2,244.51)	(791.78)
Income Tax Expense	-	-

**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	14,963.43	5,278.55
Add/(Less) non cash amounts included in benefits accrued from operations		
Increase in Market Value of Investments	(5,068.00)	(3,414.00)
Rent Received	(6,349.20)	(5,227.49)
ATO Supervisory Levy	259.00	259.00
Borrowing Expenses	843.56	552.36
Depreciation	5,068.00	3,414.00
Rental Property Expenses	3,881.06	3,060.39
Other non cash items	(518.00)	-
	(1,883.58)	(1,355.74)
Net cash provided by operating activities	13,079.85	3,922.81

**9. Reconciliation of Cash**

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

2018	2017
\$	\$

**ARC SUPER FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

---

Cash

17,917.74

9,776.26

**10. Limited Recourse Borrowing Arrangement**

The purchase of the property located at 45 Ascot Crescent Kallangur Queensland 4503 was funded by cash held by the fund and a Limited Recourse Mortgage Loan from Blue Sky Building Society which limits the liability of the fund to no more than the value of the 45 Ascot Crescent property.

**ARC SUPER FUND**  
**TRUSTEE: EMERALD SKIES PTY LTD**  
**ACN: 612 168 171**  
**TRUSTEES DECLARATION**

---

The directors of the trustee company have determined that the fund is not a reporting entity and that the 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 2018 present fairly, in all material respects, the financial position of the superannuation 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;
- 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 2018.

Specifically, the trustees declare that:

- in accordance with s 120 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 s 50 of the *Superannuation (Supervision) Act 1993* and reg 13.14 of the *Superannuation Industry (Supervision) Regulations 1994*; and
- to the knowledge of the trustees, 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:



Alexandra Lorraine Leahy  
Trustee

DATED:    /    /

**ARC SUPER FUND**  
**COMPILATION REPORT TO THE MEMBER(S) OF ARC SUPER FUND**

---

We have compiled the accompanying special purpose financial statements of Arc Super Fund, which comprise the statement of financial position as at 30 June 2018, 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 the Arc Super Fund is 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.

of

Dated:     /     /

**ARC SUPER FUND  
STATEMENT OF TAXABLE INCOME  
FOR THE YEAR ENDED 30 JUNE 2018**

---

	2018
	\$
Benefits Accrued as a Result of Operations before Income Tax	14,963.00
<b>Less:</b>	
Increase in Market Value of Investments	(5,068.00)
Transfers In - Preserved/Taxable	(3,000.00)
Building Depreciation	(5,809.00)
Tax Losses Recouped	(1,086.00)
	<hr/>
	(14,963.00)
	<hr/>
	0.00
<b>Taxable Income</b>	<hr/>
	0.00
	<hr/>
<b>Tax Payable on Taxable Income</b>	0.00
	<hr/>
<b>Income Tax Payable/(Refund)</b>	0.00
<b>Add:</b>	<hr/>
Supervisory levy	259.00
<b>Total Amount Due or Refundable</b>	<hr/>
	259.00
	<hr/>

EMERALD SKIES PTY LTD  
ACN: 612 168 171  
ATF ARC SUPER FUND  
MINUTES OF A MEETING OF THE DIRECTOR(S) HELD ON / /  
AT 23 COOYAR ST, ASPLEY QLD 4034

---

PRESENT:

Alexandra Lorraine Leahy

ELECTION OF  
CHAIRPERSON:

Alexandra Lorraine Leahy  
was elected chairperson of the meeting.

MINUTES:

The Chair reported that the minutes of the previous meeting had been signed as a true record.

FINANCIAL STATEMENTS OF  
SUPERANNUATION FUND:

It was resolved that the financial statements would be prepared as special purpose financial statements as, in the opinion of the trustee(s), the superannuation fund is a non-reporting entity and therefore is not required to comply with all Australian Accounting Standards.

The Chair tabled the financial statements and notes to the financial statements of the superannuation fund in respect of the year ended 30 June 2018 and it was resolved that such statements be and are hereby adopted as tabled.

TRUSTEE'S DECLARATION:

It was resolved that the trustee's declaration of the superannuation fund be signed.

ANNUAL RETURN:

Being satisfied that the fund had complied with the requirements of the Superannuation Industry (Supervision) Act 1993 (SISA) and Regulations during the year ended 30 June 2018, it was resolved that the annual return be approved, signed and lodged with the Australian Taxation Office.

TRUST DEED:

The Chair tabled advice received from the fund's legal adviser confirming that the fund's trust deed is consistent with all relevant superannuation and trust law.

INVESTMENT STRATEGY:

The allocation of the fund's assets and the fund's investment performance over the financial year were reviewed and found to be within acceptable ranges outlined in the investment strategy. After considering the risk, rate of return and liquidity of the investments and the ability of the fund to discharge its existing liabilities, it was resolved that the investment strategy continues to reflect the purposes and circumstances of the fund and its members. Accordingly, no changes in the investment strategy were required.

ALLOCATION OF INCOME:

It was resolved that the income of the fund would be allocated to the members based on their average daily balance (an alternative allocation basis may be percentage of opening balance).

AUDITORS

It was resolved that

Tony Boys

of

Po Box 3376  
Rundle Mall SA 5000

act as auditors of the Fund for the next financial year.

TAX AGENTS

It was resolved that

The Matador Group

act as tax agents of the Fund for the next financial year.

TRUSTEE STATUS:

Each of the trustee(s) confirmed that they are qualified to act as trustee(s) of the fund and that they are not disqualified persons as defined by s 120 of the SISA.

CONTRIBUTIONS RECEIVED:

It was resolved that the contributions during the year be allocated to members on the basis of the schedule provided by the principal Fund employer.

ACCEPTANCE OF ROLLOVERS

The trustee has ensured that any roll-over made to the Fund, meets the requirements of the Fund's deed and does not breach the superannuation laws in relation to:

1. making roll-over between Funds; and,
2. breaching the Fund or the member investment strategy.

The trustee has reviewed the roll-over and received advice that the roll-over is in accordance with the Trust Deed and the rules of the Fund and the superannuation laws. As such the trustee has resolved to accept the roll-over on behalf of the member.

CLOSURE:

All resolutions for this meeting were made in accordance with the SISA and Regulations.

There being no further business the meeting then closed.

Signed as a true record –



.....  
Alexandra Lorraine Leahy  
Chairperson

**Member's Statement  
ARC SUPER FUND**

**MS ALEXANDRA LORRAINE LEAHY  
23 COOYAR ST  
ASPLEY QLD 4034**

The Trustee of the above named fund wishes to advise you of the circumstances of your entitlement in the Fund at 30 June 2018 and for the reporting period 1 July 2017 to 30 June 2018.

<b>Your Details</b>		<b>Your Balance</b>	
Date of Birth	25 June 1966	<b>Total Benefits</b>	<b>\$190,887.34</b>
Tax File Number	Provided	Comprising:	
Date Joined Fund	12 May 2016	- Preserved	\$190,887.34
Service Period Start Date	1 August 1987	- Restricted Non Preserved	
Date Left Fund		- Unrestricted Non Preserved	
Member Mode	Accumulation	Including:	
Account Description	Accumulation	- Tax Free Component	\$7,256.26
Current Salary		- Taxable Component	\$183,631.08
Vested Amount	\$190,887.34		
Insured Death Benefit			
Total Death Benefit	\$190,887.34		
Disability Benefit			
Nominated Beneficiaries			

<b>Your Detailed Account</b>	<b>Preserved</b>	<b>Restricted Non Preserved</b>	<b>Unrestricted Non Preserved</b>	<b>Total</b>
Opening Balance at 1 July 2017	175,923.91			175,923.91
Add: Increases to Member's Account During the Period				
Concessional Contributions	9,251.66			9,251.66
Non-Concessional Contributions				
Other Contributions				
Govt Co-Contributions				
Employer Contributions - No TFN				
Proceeds of Insurance Policies				
Share of Net Income/(Loss) for period	2,711.77			2,711.77
Transfers in and transfers from reserves	3,000.00			3,000.00
	14,963.43			14,963.43
	190,887.34			190,887.34
Less: Decreases to Member's Account During the Period				
Benefits/Pensions Paid				
Contributions Tax				
Income Tax				
No TFN Excess Contributions Tax				
Division 293 Tax				
Excess Contributions Tax				
Refund Excess Contributions				
Insurance Policy Premiums Paid				
Management Fees				
Share of fund expenses				
Transfers out and transfers to reserves				
<b>Member's Account Balance at 30/06/2018</b>	<b>190,887.34</b>			<b>190,887.34</b>

Reference: ARCSF / 501

**Availability of Other Fund Information**

Other information about the Fund is available at your request from the Trustee. If you would like any further information, please contact the Trustee.

**Trustee's Disclaimer**

This statement has been prepared by the Trustee for the member whose name appears at the top of this statement. Every effort has been made by the Trustee to ensure the accuracy and completeness of this Statement. The Trustee does not accept any liability for any error, omission or misprint. All amounts shown in relation to benefits do not take into account any amounts which may be withheld to satisfy the requirements imposed by the Income Tax Assessment Act 1936.

Signed by all the trustees of the fund



Alexandra Lorraine Leahy  
Trustee

Statement Date:    /    /

**ARC SUPER FUND**  
**INVESTMENT SUMMARY REPORT AT 30 JUNE 2018**

Investment	Units	Ave Cost	Mkt Price	Cost	Market	Unrealised Gain/(Loss)	Percent Gain/(Loss)	Percent Total
<b>Cash/Bank Accounts</b>								
Big Sky Loan Offset Account #2S85		11,309.36	11,309.3600	11,309.36	11,309.36			2.14%
NAB Bank Account #0205		6,608.38	6,608.3800	6,608.38	6,608.38			1.25%
				17,917.74	17,917.74			3.38%
<b>Real Estate Properties (Australian)</b>								
Lot 240 Ascot Crescent, Kallangur, Queensland 4503	1.0000	511,713.80	511,713.8000	511,713.80	511,713.80			96.62%
				511,713.80	511,713.80			96.62%
				529,631.54	529,631.54			100.00%

**ARC SUPER FUND**  
**INVESTMENT MOVEMENT REPORT AT 30 JUNE 2018**

Investment	Opening Balance		Additions		Disposals		Prof/(Loss)		Closing Balance	
	Units	Cost	Units	Cost	Units	Cost			Units	Cost
<b>Cash/Bank Accounts</b>										
Big Sky Loan Offset Account #2S85		9,776.26		28,998.52		(27,465.42)				11,309.36
NAB Bank Account #0205		<u>9,776.26</u>		<u>44,005.05</u>		<u>(37,396.67)</u>				<u>6,608.38</u>
				<u>73,003.57</u>		<u>(64,862.09)</u>				<u>17,917.74</u>
<b>Real Estate Properties (Australian)</b>										
Lot 240 Ascot Crescent, Kallangur, Queensland 4503	1.0000	511,713.80							1.0000	511,713.80
		<u>511,713.80</u>								<u>511,713.80</u>
		<u>521,490.06</u>		<u>73,003.57</u>		<u>(64,862.09)</u>				<u>529,631.54</u>

# ARC SUPER FUND INVESTMENT INCOME REPORT AT 30 JUNE 2018

Investment	Total Income	Add				Less				Taxable Income (incl Cap Gains)	Indexed Capital Gains	Discounted Capital Gains*	Other Capital Gains*	Taxable Capital Gains
		Franked Amount	Unfranked Amount	Franking Credits	Foreign Credits	TFN Credits	Tax Free	Tax Exempt	Tax Deferred					
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

\* Includes Foreign Capital Gains

**PART A****Electronic lodgment declaration (Form P, T, F, SMSF or EX)**

This declaration is to be completed where the tax return is to be lodged via an approved ATO electronic channel. It is the responsibility of the taxpayer to retain this declaration for a period of five years after the declaration is made, penalties may apply for failure to do so.

**Privacy**

The ATO is authorised by the Taxation Administration Act 1953 to request the provision of tax file numbers (TFNs). The ATO will use the TFNs to identify each partner or beneficiary or entity in our records. It is not an offence not to provide the TFNs. However, you cannot lodge your tax return electronically if you do not quote your TFN.

Taxation law authorises the ATO to collect information and disclose it to other government agencies, including personal information about the person authorised to sign the declaration. For information about privacy go to [ato.gov.au/privacy](http://ato.gov.au/privacy)

**The Australian Business Register**

The Commissioner of Taxation, as Registrar of the Australian Business Register, may use the ABN and business details which you provide on this tax return to maintain the integrity of the register.

Please refer to the privacy statement on the Australian Business Register (ABR) website ([www.abr.gov.au](http://www.abr.gov.au)) for further information – it outlines our commitment to safeguarding your details.

**Electronic funds transfer - direct debit**

Where you have requested an EFT direct debit some of your details will be provided to your financial institution and the Tax Office's sponsor bank to facilitate the payment of your taxation liability from your nominated account.

Tax file number XXX XXX XXX

Year 2018

Name of partnership,  
trust, fund or entity Arc Super Fund


I authorise my tax agent to electronically transmit this tax return via an approved ATO electronic channel.

**Important**

Before making this declaration please check to ensure that all income has been disclosed and the tax return is true and correct in every detail. If you are in doubt about any aspect of the tax return, place all the facts before the Tax Office. The tax law provides heavy penalties for false or misleading statements on tax returns.

**Declaration: I declare that:**

- the information provided to the agent for the preparation of this tax return, including any applicable schedules is true and correct, and
- the agent is authorised to lodge this tax return.

Signature of partner,  
trustee or director

Date

**PART B****Electronic funds transfer consent**

This declaration is to be completed when an electronic funds transfer (EFT) of a refund is requested and the tax return is being lodged through an approved ATO electronic lodgment channel.

This declaration must be signed by the partner, trustee, director or public officer prior to the EFT details being transmitted to the Tax Office. If you elect for an EFT, all details below must be completed.

Important: Care should be taken when completing EFT details as the payment of any refund will be made to the account specified.

Agent's reference  
number 25395118

Account Name Arc Super Fund

BSB: 084102 Acc: 810638540

I authorise the refund to be deposited directly to the specified account.

Signature

Date

**Self-managed superannuation  
fund annual return****2018****Who should complete this annual return?**

Only self-managed superannuation funds (SMSFs) can complete this annual return. All other funds must complete the Fund income tax return 2018 (NAT 71287).

The Self-managed superannuation fund annual return instructions 2018 (NAT 71606) (the instructions) can assist you to complete this annual return.

**Section A: Fund information****1 Tax file number (TFN)**

XXX XXX XXX

The Tax Office is authorised by law to request your TFN. You are not obliged to quote your TFN but not quoting it could increase the chance of delay or error in processing your annual return. See the Privacy note in the Declaration.

**2 Name of self-managed superannuation fund (SMSF)**

Arc Super Fund

**3 Australian business number (ABN)**

XX XXX XXX XXX

**4 Current postal address**

PO Box 3249

SOUTH BRISBANE BC

QLD

4101

**5 Annual return status**

Is this an amendment to the SMSF's 2018 return?

☒ A ☐ N

Is this the first required return for a newly registered SMSF?

☒ B ☐ N

**6 SMSF auditor**

Auditor's name

Title

Mr

Family name

Boys

First given name

Tony

Other given names

SMSF Auditor Number

100 014 140

Auditor's phone number

0410 712708

Use Agent  
address details? ☐

Postal address

PO Box 3376

RUNDLE MALL

QLD

5000

Date audit was completed

A

Was Part B of the audit report qualified ?

B

N

If the audit report was qualified, have the reported  
compliance issues been rectified?

C

**7 Electronic funds transfer (EFT)**

We need your self-managed super fund's financial institution details to pay any super payments and tax refunds owing to you.

**A Financial institution details for super payments and tax refunds**

You must provide the financial institution details of your fund's nominated super account. If you would like your fund's tax refunds paid to a different account, you can provide additional financial institution details at B.

Fund BSB number  
(must be six digits)

084102

Fund account number

810638540

Fund account name (for example, J&amp;Q Citizen ATF J&amp;Q Family SF)

Arc Super Fund

**B Financial institution details for tax refunds only**If you would like your fund's tax refunds paid to a different account, provide additional financial institution details.  
Tax refunds cannot be paid to a trustee's personal account. (See relevant instructions.)Fund BSB number  
(must be six digits)

Account number

Fund account name (for example, J&amp;Q Citizen ATF J&amp;Q Family SF)

**C Electronic service address alias**

We will use your electronic service address alias to communicate with your fund about ATO super payments.

**8 Status of SMSF**

Australian superannuation fund

<b>A</b>	<input type="checkbox"/> Y
<b>C</b>	<input type="checkbox"/> Y

Does the fund trust deed allow acceptance of the Government's Super Co-contribution and Low Income Super Contribution?

Fund benefit structure

<b>B</b>	<input type="checkbox"/> A
----------	----------------------------

Code

**9 Was the fund wound up during the income year?**☐ N Print Y for yes  
or N for no.

If yes, provide the date on which fund was wound up

Day Month Year

Have all tax lodgment and payment obligations been met?

☐**10 Exempt current pension income**

Did the fund pay retirement phase superannuation income stream benefits to one or more members in the income year?

☐ N Print Y for yes  
or N for no.

To claim a tax exemption for current pension income, you must pay at least the minimum benefit payment under the law. Record exempt current pension income at Label A

If No, Go to Section B: Income

☐ If Yes Exempt current pension income amount**A**

Which method did you use to calculate your exempt current pension income?

Segregated assets method

**B**☐

Unsegregated assets method

**C**☐

Was an actuarial certificate obtained?

**D**☐

Print Y for yes

Did the fund have any other income that was assessable?

**E**☐Print Y for yes  
or N for no.

If Yes, go to Section B: Income

Choosing 'No' means that you do not have any assessable income, including no-TFN quoted contributions. If No - Go to Section C: Deductions and non-deductible expenses. (Do not complete Section B: Income.)

If you are entitled to claim any tax offsets, you can list these at Section D: Income tax calculation statement

## Section B: Income

Do not complete this section if all superannuation interests in the SMSF were supporting superannuation income streams in the retirement phase for the entire year, there was no other income that was assessable, and you have not realised a deferred notional gain. If you are entitled to claim any tax offsets, you can record these at Section D: Income tax calculation statement.

## 11 Income

Did you have a capital gains tax (CGT) event during the year?

**G** ☒ **N** ☐

Print Y for yes or N for no.

Have you applied an exemption or rollover?

**M** ☐

Print Y for yes or N for no.

Code

If the total capital loss or total capital gain is greater than \$10,000 or you elected to use the CGT relief in 2017 and the deferred notional gain has been realised, complete and attach a Capital Gains Tax (CGT) schedule 2018

Net capital gain

**A**

Gross rent and other leasing and hiring income

**B**

35,149

Gross interest

**C**

Forestry managed investment scheme income

**X**

Gross foreign income

**D1**

Net foreign income

**D**

Loss

Australian franking credits from a New Zealand company

**E**

Transfers from foreign funds

**F**

Number

Gross payments where ABN not quoted

**H**

Gross distribution from partnerships

**I**

Loss

\* Unfranked dividend amount

**J**

\* Franked dividend amount

**K**

\* Dividend franking credit

**L**

\* Gross trust distributions

**M**

Code

### Calculation of assessable contributions

Assessable employer contributions

**R1**

9,252

plus Assessable personal contributions

**R2**

0

plus #\*No-TFN-quoted contributions

**R3**

0

(an amount must be included even if it is zero)

less Transfer of liability to life insurance company or PST

**R6**

0

Assessable contributions (R1 plus R2 plus R3 less R6)

**R**

9,252

### Calculation of non-arm's length income

\* Net non-arm's length private company dividends

**U1**

plus \* Net non-arm's length trust distributions

**U2**

plus \* Net other non-arm's length income

**U3**

\* Other income

**S**

Code

\* Assessable income due to changed tax status of fund

**T**

Net non-arm's length income (subject to 45% tax rate) (U1 plus U2 plus U3)

**U**

#This is a mandatory label  
\* If an amount is entered at this label, check the instructions to ensure the correct tax treatment has been applied.

GROSS INCOME (Sum of labels A to U)

**W**

Loss

Exempt current pension income

**Y**

TOTAL ASSESSABLE INCOME (W less Y)

**V**

44,401

Loss

**Section C: Deductions and non-deductible expenses****12 Deductions and non-deductible expenses**

Under 'Deductions' list all expenses and allowances you are entitled to claim a deduction for. Under 'Non-deductible expenses', list all other expenses or normally allowable deductions that you cannot claim as a deduction (for example, all expenses related to exempt current pension income should be recorded in the 'Non-deductible expenses' column).

DEDUCTIONS		NON-DEDUCTIBLE EXPENSES	
Interest expenses within Australia	<b>A1</b> 20,257	<b>A2</b>	
Interest expenses overseas	<b>B1</b>	<b>B2</b>	
Capital works expenditure	<b>D1</b> 5,809	<b>D2</b>	
Decline in value of depreciating assets	<b>E1</b> 5,068	<b>E2</b>	
Insurance premiums – members	<b>F1</b>	<b>F2</b>	
Death benefit increase	<b>G1</b>		
SMSF auditor fee	<b>H1</b> 275	<b>H2</b>	
Investment expenses	<b>I1</b> 10,671	<b>I2</b>	
Management and administration expenses	<b>J1</b> 1,235	<b>J2</b>	
Forestry managed investment scheme expense	<b>U1</b>	<b>U2</b>	
Other amounts	<b>L1</b>	<b>L2</b>	
Tax losses deducted	<b>M1</b> 1,086		
<b>TOTAL DEDUCTIONS</b> <b>N</b> 44,401 (Total A1 to M1)		<b>TOTAL NON-DEDUCTIBLE EXPENSES</b> <b>Y</b> 0 (Total A2 to L2)	
<b>#TAXABLE INCOME OR LOSS</b> <b>O</b> 0 <small>Loss</small> (TOTAL ASSESSABLE INCOME less TOTAL DEDUCTIONS)		<b>TOTAL SMSF EXPENSES</b> <b>Z</b> 44,401 (N plus Y)	

#This is a mandatory label.

**Section D: Income tax calculation statement****#Important:**

Section B label R3, Section C label O and Section D labels A, T1, J, T5 and I are mandatory.

**13 Calculation statement**

Please refer to the Self-managed superannuation fund annual return instructions 2018 on how to complete the calculation statement.

#Taxable income **A**   
(an amount must be included even if it is zero)#Tax on taxable income **T1**   
(an amount must be included even if it is zero)#Tax on no-TFN-quoted contributions **J**   
(an amount must be included even if it is zero)Gross tax **B**   
(T1 plus J)

Foreign income tax offset

**C1** 

Rebates and tax offsets

**C2** 

Non-refundable non-carry forward tax offsets

**C**   
(C1 plus C2)**SUBTOTAL 1****T2**   
(B less C – cannot be less than zero)

Early stage venture capital limited partnership tax offset

**D1** 

Early stage venture capital limited partnership tax offset carried forward from previous year

**D2** 

Early stage investor tax offset

**D3** 

Early stage investor tax offset carried forward from previous year

**D4** 

Non-refundable carry forward tax offsets

**D**   
(D1 plus D2 plus D3 plus D4)**SUBTOTAL 2****T3**   
(T2 less D – cannot be less than zero)

Complying fund's franking credits tax offset

**E1** 

No-TFN tax offset

**E2** 

National rental affordability scheme tax offset

**E3** 

Exploration credit tax offset

**E4** 

Refundable tax offsets

**E**   
(E1 plus E2 plus E3 plus E4)#TAX PAYABLE **T5**   
(T3 less E – cannot be less than zero)

Section 102AAM interest charge

**G**

Credit for interest on early payments –  
amount of interest**H1**Credit for tax withheld – foreign  
resident withholding (excluding capital gains)**H2**Credit for tax withheld – where ABN  
or TFN not quoted (non-individual)**H3**Credit for TFN amounts withheld from  
payments from closely held trusts**H5**

Credit for interest on no-TFN tax offset

**H6**Credit for foreign resident capital gains  
withholding amounts**H8**

Eligible credits

**H**

0.00

(H1 plus H2 plus H3 plus H5 plus H6 plus H8)

#Tax offset refunds

(Remainder of refundable tax offsets).

**I**

0.00

(unused amount from label E –  
an amount must be included even if it is zero)

PAYG instalments raised

**K**

Supervisory levy

**L**

259.00

Supervisory levy adjustment  
for wound up funds**M**Supervisory levy adjustment  
for new funds**N****AMOUNT DUE OR REFUNDABLE**A positive amount at S is what you owe,  
while a negative amount is refundable to you**S**

259.00

(T5 plus G less H less I less K plus L less M plus N)

#This is a mandatory label.

**Section E: Losses****14 Losses**If total loss is greater than \$100,000,  
complete and attach a Losses  
schedule 2018.Tax losses carried forward  
to later income years**U**

5,977

Net capital losses carried  
forward to later income years**V**

Section F / Section G: **Member Information**

In Section F / G report all current members in the fund at 30 June.  
Use Section F / G to report any former members or deceased members who held an interest in the fund at any time during the income year.

Title	Ms	See the Privacy note in the Declaration.	Member's TFN	XXX XXX XXX	Member Number	1
Family name	Leahy				Account status	0 Code
First given name	Alexandra					
Other given names	Lorraine					
	Date of birth	25/06/1966		If deceased, date of death		

**Contributions**

Refer to instructions  
for completing these  
labels.

OPENING ACCOUNT BALANCE	175,924.00
Employer contributions	A 9,252.00
ABN of principal employer	A1
Personal contributions	B
CGT small business retirement exemption	C
CGT small business 15-year exemption amount	D
Personal injury election	E
Spouse and child contributions	F
Other third party contributions	G
Assessable foreign superannuation fund amount	I
Non-assessable foreign superannuation fund amount	J
Transfer from reserve: assessable amount	K
Transfer from reserve: non-assessable amount	L
Contributions from non-complying funds and previously non-complying funds	T
Any other contributions (including Super Co-contributions and Low Income Super Contributions)	M

**Other transactions**

Accumulation phase account balance	S1 190,888.00	
Retirement phase account balance - Non CDBIS	S2 0.00	
Retirement phase account balance - CDBIS	S3 0.00	
0 TRIS Count		
TOTAL CONTRIBUTIONS	N 9,252.00	
Allocated earnings or losses	O 2,712.00	Loss
Inward rollovers and transfers	P 3,000.00	
Outward rollovers and transfers	Q	
Lump Sum payment	R1	Code
Income stream payment	R2	Code
CLOSING ACCOUNT BALANCE	S 190,888.00	
	S1 plus S2 plus S3	
Accumulation phase value	X1	
Retirement phase value	X2	

## Section H: Assets and liabilities

## 15 ASSETS

## 15a Australian managed investments

Listed trusts **A** Unlisted trusts **B** Insurance policy **C** Other managed investments **D** 

## 15b Australian direct investments

Cash and term deposits **E**  17,918Debt securities **F** Loans **G** Listed shares **H** Unlisted shares **I** 

## Limited recourse borrowing arrangements

Australian residential real property

**J1**  511,714

Australian non-residential real property

**J2** 

Overseas real property

**J3** 

Australian shares

**J4** 

Overseas shares

**J5** 

Other

**J6** Limited recourse borrowing arrangements **J**  511,714Non-residential real property **K** Residential real property **L** Collectables and personal use assets **M** Other assets **O**  5,290

## 15c Overseas direct investments

Overseas shares **P** Overseas non-residential real property **Q** Overseas residential real property **R** Overseas managed investments **S** Other overseas assets **T** **TOTAL AUSTRALIAN AND OVERSEAS ASSETS** **U**  534,922  
(Sum of labels A to T)

## 15d In-house assets

Did the fund have a loan to, lease to or investment in,  
related parties (known as in-house assets)  
at the end of the income year**N** 

## 15e Limited recourse borrowing arrangements

If the fund had an LRBA were the LRBA  
borrowings from a licensed  
financial institution?**A** **Y** Print Y for yes  
or N for no.Did the members or related parties of the  
fund use personal guarantees or other  
security for the LRBA?**B** **N** Print Y for yes  
or N for no.

**16 LIABILITIES**

Borrowings for limited recourse borrowing arrangements	
<b>V1</b>	343,516
Permissible temporary borrowings	
<b>V2</b>	
Other borrowings	
<b>V3</b>	
Borrowings <b>V</b> 343,516	
Total member closing account balances (total of all CLOSING ACCOUNT BALANCES from Sections F and G) <b>W</b> 190,888	
Reserve accounts <b>X</b>	
Other liabilities <b>Y</b> 518	
<b>TOTAL LIABILITIES Z</b> 534,922	

**Section I: Taxation of financial arrangements****17 Taxation of financial arrangements (TOFA)**

Total TOFA gains	<b>H</b>	
Total TOFA losses	<b>I</b>	

**Section J: Other information****Family trust election status**

If the trust or fund has made, or is making, a family trust election, write the four-digit income year specified of the election (for example, for the 2017–18 income year, write 2018).

<b>A</b>	
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If revoking or varying a family trust election, print R for revoke or print V for variation, and complete and attach the Family trust election, revocation or variation 2018.

<b>B</b>	
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**Interposed entity election status**

If the trust or fund has an existing election, write the earliest income year specified. If the trust or fund is making one or more elections this year, write the earliest income year being specified and complete an Interposed entity election or revocation 2018 for each election

<b>C</b>	
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If revoking an interposed entity election, print R, and complete and attach the Interposed entity election or revocation 2018.

<b>D</b>	
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**Section K: Declarations**

Penalties may be imposed for false or misleading information in addition to penalties relating to any tax shortfalls.

**Important**

Before making this declaration check to ensure that all income has been disclosed and the annual return, all attached schedules and any additional documents are true and correct in every detail. If you leave labels blank, you will have specified a zero amount or the label was not applicable to you. If you are in doubt about any aspect of the annual return, place all the facts before the ATO.

**Privacy**

The ATO is authorised by the Taxation Administration Act 1953 to request the provision of tax file numbers (TFNs). We will use the TFN to identify the entity in our records. It is not an offence not to provide the TFN. However if you do not provide the TFN, the processing of this form may be delayed.

Taxation law authorises the ATO to collect information and disclose it to other government agencies. For information about your privacy go to [ato.gov.au/privacy](http://ato.gov.au/privacy).

**TRUSTEE'S OR DIRECTOR'S DECLARATION:**

I declare that current trustees and directors have authorised this annual return and it is documented as such in the SMSF's records. I have received the audit report and I am aware of any matters raised. I declare that the information on this annual return, including any attached schedules and additional documentation is true and correct. I also authorise the ATO to make any tax refunds to the nominated bank account (if applicable).

Authorised trustee's, director's or public officer's signature



Date  Day Month Year

**Preferred trustee or director contact details:**

Title  Ms

Family name  Leahy

First given name  Alexandra

Other given names  Lorraine

Area code  0403 Number  531864

Phone number  Email address

Non-individual trustee name (if applicable)  Emerald Skies Pty Ltd

ABN of non-individual trustee  XX XXX XXX XXX

Time taken to prepare and complete this annual return  Hrs

The Commissioner of Taxation, as Registrar of the Australian Business Register, may use the ABN and business details which you provide on this annual return to maintain the integrity of the register. For further information, refer to the instructions.

**TAX AGENT'S DECLARATION:**

I,  ZOOMSTER PTY LTD

declare that the Self-managed superannuation fund annual return 2018 has been prepared in accordance with information provided by the trustees, that the trustees have given me a declaration stating that the information provided to me is true and correct, and that the trustees have authorised me to lodge this annual return.

Tax agent's signature  Date  Day Month Year

Title  Mr

Family name  Valassakis

First given name  Nicholas

Other given names

Tax agent's practice  ZOOMSTER PTY LTD

Area code  041 Number  3826044

Tax agent's phone number

Tax agent number  25395118

Reference number  ARCS0001

Sensitive (when completed)

Signature