

IS2 SUPERANNUATION FUND

FINANCIAL STATEMENTS INDEX

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IS2 SUPERANNUATION FUND
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

2015

\$

Investments

Managed Investments (Australian)	5,574,429.69
Borrowing Cost	14,994.00
	<hr/> 5,589,423.69

Other Assets

Cash at Bank	166,494.84
Distributions Receivable	239,411.22
	<hr/> 405,906.06

Total Assets

5,995,329.75

Less:

Liabilities

Investment Trust Loans	4,322,003.40
Income Tax Payable (Note 7)	6,361.73
	<hr/> 4,328,365.13

Net Assets Available to Pay Benefits

1,666,964.62

Represented by:

Liability for Accrued Benefits (Notes 2, 3, 4)

Saywell, Ivor Bruce	1,666,964.62
	<hr/> 1,666,964.62

**IS2 SUPERANNUATION FUND
OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015**

	2015 \$
Income	
Capital Gains/(Losses) - Taxable	320.29
Distributions Received	380,338.66
Increase in Market Value of Investments (Note 5)	378,796.97
Interest Received	7,327.73
Member/Personal Contributions - Concessional (Taxable)	35,000.00
Member/Personal Contributions - Non Concessional (Undeducted)	180,000.00
Other Income	387.83
Transfers In - Unrestricted Non Preserved/Tax Free	340,000.00
	<hr/> 1,322,171.48
Expenses	
Accountancy Fees	4,180.00
Administration Costs	320.00
ATO Supervisory Levy	518.00
Auditor's Remuneration	495.00
Borrowing Expense	4,500.00
Investment Expenses	40,622.26
Interest Paid	22,612.43
	<hr/> 73,247.69
Benefits Accrued as a Result of Operations before Income Tax	<hr/> 1,248,923.79
Income Tax (Note 7)	
Income Tax Expense	42,975.75
	<hr/> 42,975.75
Benefits Accrued as a Result of Operations	<hr/> 1,205,948.04 <hr/>

IS2 SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

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 accompanying Regulations, the trust deed of the fund and the needs of members.

The financial statements have also 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 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 their market values, which is the amount that a willing buyer of the asset could reasonably be expected to pay to acquire the asset from a willing seller if the following assumptions were made:

- 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 values have 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 trustees' assessment of 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 reporting date. The trustees have determined that the gross values of the fund's financial liabilities are 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.

IS2 SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

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 are subject to an insignificant risk of change in value.

c. Revenue

Revenue is recognised at the fair value of the consideration received or receivable.

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 are 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 the investment was 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

IS2 SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

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:

	2015
	\$
Liability for Accrued Benefits at beginning of period	461,259.58
Add:	
Benefits Accrued as a Result of Operations	1,205,948.04
- Adjustment of Deferred Tax Liability /Deferred Tax Asset	
Less:	
- Benefits Paid	(243.00)
Liability for Accrued Benefits at end of period	<u>1,666,964.62</u>

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.

	2015
	\$
Vested Benefits	<u>1,666,964.62</u>

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:

2015
\$

IS2 SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

Managed Investments (Australian)	378,796.97
Borrowing Cost	(4,500.00)
	<hr/>
	374,296.97
	<hr/>

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:

	2015
	\$
Employer	
Members	

7. Income Tax

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

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

	2015
	\$
Benefits accrued as a result of operations before income tax	1,248,923.79
	<hr/>
Prima facie income tax on accrued benefits	187,338.57
Add/(Less) Tax Effect of:	
Distributions Received	(4,840.81)
Increase in Market Value of Investments	(56,819.55)
Member/Personal Contributions - Non Concessional (Undeducted)	(27,000.00)
Transfers In - Unrestricted Non Preserved/Tax Free	(51,000.00)
Borrowing Expense	675.00
Distributed Capital Gains	(21,419.45)
Accounting (Profits)/Losses on Sale of Investments	(48.04)
Taxable Capital Gains	16,089.60
Other	.43
	<hr/>
	(144,362.82)
	<hr/>
Income Tax Expense	42,975.75
	<hr/>

Income tax expense comprises:

IS2 SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

Income Tax Payable/(Refundable)	6,361.73
Imputed Credits	25,767.25
Foreign Credits	3,314.16
TFN Credits	316.61
Tax Instalments Paid	7,216.00
	<hr/>
	42,975.75
	<hr/>

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

	2015
	\$
Benefits accrued from operations after income tax	1,205,948.04
Add/(Less) non cash amounts included in benefits accrued from operations	
Capital Gains/(Losses) - Taxable	(320.29)
Distributions Received	
Increase in Market Value of Investments	(378,796.97)
Other Income	
Borrowing Expense	4,500.00
Income Tax Expense	42,975.75
Other non cash items	(45,240.64)
	<hr/>
	(376,882.15)
	<hr/>
Net cash provided by operating activities	829,065.89
	<hr/>

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:

	2015
	\$
Cash	166,494.84
	<hr/>

IS2 SUPERANNUATION FUND

TRUSTEE: IS2 PTY LTD

ACN: 166 199 444

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.

In the opinion of the directors of the trustee company:

- (i) the financial statements and notes to the financial statements for the year ended 30 June 2015 present fairly, in all material respects, the financial position of the superannuation fund at 30 June 2015 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 2015.

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

Ivor Bruce Saywell
Is2 Pty Ltd
Director

DATED: 14/08/2015

**IS2 SUPERANNUATION FUND
STATEMENT OF TAXABLE INCOME
FOR THE YEAR ENDED 30 JUNE 2015**

	2015
	\$
Benefits Accrued as a Result of Operations before Income Tax	1,248,924.00
Less:	
Increase in Market Value of Investments	(378,797.00)
Member/Personal Contributions - Non Concessional (Undeducted)	(180,000.00)
Transfers In - Unrestricted Non Preserved/Tax Free	(340,000.00)
Accounting Capital Gains	(320.00)
Distributed Capital Gains	(142,796.00)
Non Taxable Distributions Received	(32,272.00)
Other Non Taxable Items	1.00
	<hr/> (1,074,184.00) <hr/>
	174,740.00
Add:	
Borrowing Expense	4,500.00
Taxable Capital Gains	107,264.00
	<hr/> 111,764.00 <hr/>
Taxable Income	<hr/> 286,504.00 <hr/>
Tax Payable on Taxable Income	42,975.60
Less:	
Imputed Credits	25,767.25
Foreign Credits	3,314.16
TFN Credits	316.61
Instalments Paid	7,216.00
	<hr/> 36,614.02 <hr/>
Income Tax Payable/(Refund)	<hr/> 6,361.58 <hr/>
Add:	
Supervisory levy	259.00
Total Amount Due or Refundable	<hr/> 6,620.58 <hr/>

Member's Statement
IS2 SUPERANNUATION FUND

MR IVOR BRUCE SAYWELL
PO BOX 329
BROADBEACH QLD 4218

The Trustee of the above named fund wishes to advise you of the circumstances of your entitlement in the Fund at 30 June 2015 and for the reporting period 1 July 2014 to 30 June 2015.

Your Details		Your Balance	
Date of Birth	9 November 1942	Total Benefits	\$1,666,964.62
Tax File Number	Provided	Comprising:	
Date Joined Fund	14 October 2013	- Preserved	
Service Period Start Date	14 October 2013	- Restricted Non Preserved	
Date Left Fund		- Unrestricted Non Preserved	\$1,666,964.62
Member Mode	Accumulation	Including:	
Account Description		- Tax Free Component	\$634,939.40
Current Salary		- Taxable Component	\$1,032,025.22
Vested Amount	\$1,666,964.62		
Insured Death Benefit			
Total Death Benefit	\$1,666,964.62		
Disability Benefit			
Nominated Beneficiaries			

Your Detailed Account	Preserved	Restricted Non Preserved	Unrestricted Non Preserved	Total
Opening Balance at 1 July 2014			461,259.58	461,259.58
<u>Add: Increases to Member's Account During the Period</u>				
Concessional Contributions			35,000.00	35,000.00
Non-Concessional Contributions			180,000.00	180,000.00
Other Contributions				
Govt Co-Contributions				
Employer Contributions - No TFN				
Proceeds of Insurance Policies				
Share of Net Income/(Loss) for period			693,923.79	693,923.79
Transfers in and transfers from reserves			340,000.00	340,000.00
			1,248,923.79	1,248,923.79
			1,710,183.37	1,710,183.37
<u>Less: Decreases to Member's Account During the Period</u>				
Benefits/Pensions Paid			243.00	243.00
Contributions Tax			5,250.00	5,250.00
Income Tax			37,725.75	37,725.75
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				
			43,218.75	43,218.75
Member's Account Balance at 30/06/2015			1,666,964.62	1,666,964.62

Reference: IS2SF / 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

Ivor Bruce Saywell
Director

Statement Date: 14 August 2015

IS2 SUPERANNUATION FUND
INVESTMENT SUMMARY REPORT AT 30 JUNE 2015

Investment	Units	Ave Cost	Mkt Price	Cost	Market	Unrealised Gain/(Loss)	Percent Gain/(Loss)	Percent Total
Cash/Bank Accounts								
Cash at Bank		166,494.84	166,494.8400	166,494.84	166,494.84			2.90%
				166,494.84	166,494.84			2.90%
Managed Investments (Australian)								
APN Areit Fund	181,666.5900	1.38	1.5743	250,629.27	285,997.71	35,368.44	14.11%	4.98%
Aberdeen Actively Hgd Int'l Equities Fund	102,433.8300	2.44	2.9494	250,000.00	302,118.34	52,118.34	20.85%	5.26%
Antares Prof High Growth Shares Fund	200,112.0628	1.25	1.1217	250,000.00	224,465.70	(25,534.30)	(10.21%)	3.91%
Arrowstreet Global Equity Fund	169,534.6300	1.18	1.1897	200,000.00	201,696.57	1,696.57	0.85%	3.51%
BT Wsale Fixed Interest Fund	215,572.9900	1.16	1.2140	250,000.00	261,705.61	11,705.61	4.68%	4.56%
EQT Pimco Wsale Aust Bond Fund	251,306.7953	0.99	1.0131	250,000.00	254,598.91	4,598.91	1.84%	4.43%
EQT Pimco Wsale Global Bond Fund	249,825.1224	1.00	0.9984	250,000.00	249,425.40	(574.60)	(0.23%)	4.34%
IFP Global Franchise Fund	149,826.2000	1.67	2.3224	250,000.00	347,958.78	97,958.78	39.18%	6.06%
Investors Mutual Future Leaders Fund	218,627.0223	1.14	1.2433	250,000.00	271,818.98	21,818.98	8.73%	4.73%
Ironbark Paladin Property Securities Fund	377,586.4700	0.66	0.7920	250,000.00	299,048.48	49,048.48	19.62%	5.21%
Magellan High Conviction Fund	247,011.1649	1.01	1.4939	250,000.00	369,009.98	119,009.98	47.60%	6.43%
Perennial Tactical Income Trust	235,671.1915	1.06	1.0810	250,000.00	254,760.56	4,760.56	1.90%	4.44%
Perennial Value Shares Ws Trust	202,249.0089	1.24	1.3136	250,000.00	265,674.30	15,674.30	6.27%	4.63%
Perpetual WIFA Industrial Share Fund	83,646.3660	2.99	2.5034	250,000.00	209,396.80	(40,603.20)	(16.24%)	3.65%
Plato Australian Shares Income Fund	142,085.8198	1.41	1.2990	200,000.00	184,569.48	(15,430.52)	(7.72%)	3.21%
Sandhurst IML Industrial Share Fund	165,181.1158	1.50	1.6286	248,253.92	269,014.05	20,760.13	8.36%	4.69%
Schroder Wholesale Aust Equity Fund	219,992.9602	1.14	1.1368	250,000.00	250,088.00	88.00	0.04%	4.36%
Smallco Investment Fund	68,250.0700	3.66	4.3159	250,000.00	294,560.48	44,560.48	17.82%	5.13%

IS2 SUPERANNUATION FUND
INVESTMENT SUMMARY REPORT AT 30 JUNE 2015

Investment	Units	Ave Cost	Mkt Price	Cost	Market	Unrealised Gain/(Loss)	Percent Gain/(Loss)	Percent Total
UBS Cash Fund	239,051.4440	1.05	1.0460	250,000.00	250,047.81	47.81	0.02%	4.36%
UBS Clarion Global Property Secs Fd	141,103.4290	1.42	1.3074	200,000.00	184,478.62	(15,521.38)	(7.76%)	3.21%
Zurich Inv Global Thematic Share Fund	190,389.1550	1.31	1.8068	250,000.00	343,995.13	93,995.13	37.60%	5.99%
				5,098,883.19	5,574,429.69	475,546.50	9.33%	97.10%
				5,265,378.03	5,740,924.53	475,546.50	9.03%	100.00%

IS2 SUPERANNUATION FUND
INVESTMENT INCOME REPORT AT 30 JUNE 2015

Investment	Add												Taxable Income (incl Cap Gains)	Indexed Capital Gains	Discounted Capital Gains*	Other Capital Gains*	Taxable Capital Gains	
	Total Income	Franked Amount	Unfranked Amount	Franking Credits	Foreign Credits	TFN Credits	Tax Free	Tax Exempt	Less		GST							
									Tax Deferred	Expenses		Capital Gains Disc.*						
Cash/Bank Accounts																		
Cash at Bank	7,327.73												7,327.73					
	7,327.73												7,327.73					
Managed Investments (Australian)																		
APN Areit Fund	18,946.14			36.00	1.89			778.69	10,501.85		728.79		6,974.70		1,457.59	517.23	1,974.82	
Aberdeen Actively Hgd Int'l Equities Fund	6,069.20				735.17								6,804.37					
Antares Prof High Growth Shares Fund	34,926.25			3,649.25	40.49		(20.59)	107.55			15.09		38,513.94		30.19		30.19	
Arrowstreet Global Equity Fund	38,231.27				663.96			238.41			2,340.68		36,316.14		4,681.36	22,235.86	26,917.22	
BT Wsale Fixed Interest Fund	15,447.56												15,447.56					
EQT Pimco Wsale Aust Bond Fund	12,885.54				3.65	295.33							13,184.52					
EQT Pimco Wsale Global Bond Fund	13,233.73				11.92								13,245.65					
IFP Global Franchise Fund	30,596.92				644.28			2,263.40			6,654.05		22,323.75		13,308.11	2,215.97	15,524.08	
Investors Mutual Future Leaders Fund	27,794.59			2,933.16	133.28		0.14	1,354.82	960.39		5,616.81		22,928.87		11,233.63		11,233.63	
Ironbark Paladin Property Securities Fund	8,489.26			360.60					3,615.01				5,234.85	0.38			0.38	
Magellan High Conviction Fund	16,786.55				5.82						3,560.07		13,232.30		7,120.15	5,929.97	13,050.12	
Perennial Tactical Income	8,540.65			220.00							183.50		8,577.15		367.00	20.83	387.83	
* Includes Foreign Capital Gains																		

IS2 SUPERANNUATION FUND

INVESTMENT INCOME REPORT AT 30 JUNE 2015

Investment				Add			Less						Taxable Income (incl Cap Gains)	Indexed Capital Gains	Discounted Capital Gains*	Other Capital Gains*	Taxable Capital Gains
	Total Income	Franked Amount	Unfranked Amount	Franking Credits	Foreign Credits	TFN Credits	Tax Free	Tax Exempt	Tax Deferred	Expenses	Capital Gains Disc.*	GST					
Trust																	
Perennial Value Shares Ws Trust	10,621.84			4,453.20									15,075.04				
Perpetual WIFA Industrial Share Fund	38,451.21			3,093.68	68.15			2,190.85	29.07		8,154.20		31,238.92	11.44	16,308.40	4,307.56	20,627.40
Plato Australian Shares Income Fund	3,853.39			1,517.06	2.33		0.31	119.97	160.71				5,091.79				
Sandhurst IML Industrial Share Fund	25,354.22			3,967.30	86.99	21.28			262.44		5,078.11		24,089.24		10,156.21		10,156.21
Schroder Wholesale Aust Equity Fund	9,336.53			4,081.50	10.36				94.22				13,334.17				
Smallco Investment Fund	20,695.14			1,455.50	27.72			6,935.35	431.03		3,521.05		11,290.93		7,042.11		7,042.11
UBS Cash Fund	6,154.24												6,154.24				
UBS Clarion Global Property Secs Fd	153.18								153.18								
Zurich Inv Global Thematic Share Fund	4,373.23				878.15			2,095.25					3,156.13				
	350,940.64			25,767.25	3,314.16	316.61	0.45	15,956.15	16,315.45		35,852.37		312,214.24	11.82	71,704.73	35,227.42	106,943.97
	358,268.37			25,767.25	3,314.16	316.61	0.45	15,956.15	16,315.45		35,852.37		319,541.97	11.82	71,704.73	35,227.42	106,943.97

* Includes Foreign Capital Gains