
Graham Andrews Electrical Superannuation Fund No 2

Notes to the Financial Statements

As at 30 June 2022

Note 1 - Statement of Significant Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements. They have been consistently applied in the current and previous periods unless otherwise stated to ensure the financial information satisfies the concept of relevance and reliability.

(a) Statement of Compliance

The trustees have prepared the financial statements on the basis that the superannuation fund is not a reporting entity because it is not publicly accountable and is not required by law or governing document to prepare financial statements that comply with Australian Accounting Standards. 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 *Regulations 1994*, the trust deed of the fund and the needs of members.

(b) Basis of Preparation

The financial statements have been prepared on a cash basis using historical costs convention unless stated otherwise. For investments and financial liabilities, they are measured at market values.

The financial statements are presented in Australian dollars, which is the functional currency of the fund.

(c) Use of Accounting Estimates and Judgments

The preparation of financial statements requires the trustees to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. 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.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks or financial institutions and short-term, highly liquid investments that are readily convertible to cash and are subject to an insignificant risk of change in value.

(e) Foreign Currency

Any foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Exchange differences are recognised in the operating statement in the period in which they arise.

(f) Valuation of Assets

Investment

An investment is initially recognised when as a result of past transactions or events, the Fund controls the future economic benefits expected to flow from the asset.

The investment assets are firstly recorded at cost, being the fair value of the consideration given. After initial recognition, they are measured at market value. Gains or losses arising from changes in market value are recognised on the Operating Statement in the periods in which they occur.

Market value as defined in s10 of *SISA 1993*, in relation to an asset, means 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:

- i. that the buyer and the seller dealt with each other at arm's length in relation to the sale;
- ii. that the sale occurred after proper marketing of the asset;
- iii. that the buyer and the seller acted knowledgeably and prudentially in relation to the sale.

As disposal costs are generally immaterial unless otherwise stated, market value approximates fair value.

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Market values for various types of investment have been determined as follows:

- i. listed securities, government and other fixed interest securities for which there is a readily available market quotation, the valuation is recorded as the last quoted sale price as at the close of business on reporting date. If the listed securities are foreign, they are also converted to Australian dollars using the exchange rate at the close of business on the reporting date;
- ii. unit trusts and managed funds are stated by reference to the unit redemption price quoted by the fund manager at the end of the reporting period;
- iii. unlisted investments are stated at the Trustees' valuation based on estimated market value at balance date; or where necessary, upon external valuers' expert opinions;
- iv. Investment properties are carried at market value and are held for the purpose of generating long-term rental yields and capital appreciation. The Trustees give consideration to the value of the investment property each financial year and revalue when a significant event occurs or when deemed appropriate. Where an external valuation has been obtained, the valuation is based on objective and supportable data and has been carried out by a property valuation service provider or qualified independent valuer as appropriate.

Financial Liabilities

The Fund initially recognises a financial liability on the date it becomes a party to the contractual provisions of the instrument.

Financial liabilities including credit balances of hedging instruments and derivatives are measured at market values as at the reporting date. Any change in market values of the financial liabilities since the beginning of the reporting period shall be included in the profit or loss for the reporting period. As disposal costs are generally immaterial, unless otherwise stated, market value approximates fair value.

Receivables and Payables

Current assets such as accounts receivable, which are expected to be recovered within twelve months after the reporting period, are carried at nominal amounts which approximate the fair values.

Accounts payable are recognised when the Fund becomes obliged to make future payments resulting from the goods and services received, whether or not billed to the Fund and are carried at nominal amounts which are equivalent to fair values.

(g) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable. The following recognition criteria relate to the specific items of revenue the Fund receives:

Interest

The interest revenue is recognised by the Fund on a cash receipt basis, unless the Fund chooses the accrual method and the amount can be reliably measured by reference to the principal outstanding and using the effective interest rate of the instrument calculated at the acquisition or origination date.

Dividend Revenue

The entitlement to a dividend is based on the date the shares are quoted ex-dividend; the actual dividend revenue is recognised by the Fund when it is received.

Distribution Revenue

Distributions from unit trusts and managed funds 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 market value.

Rental Income

Rent from investment properties is recognised by the Fund on a cash receipt basis.

Movement in market values

Changes in the market value of investments are determined as the difference between the market value at balance date 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). All movements are recognised in the Operating Statement.

This report should be read in conjunction with the accompanying compilation report.

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Contributions and Rollovers In

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

The financial report was authorised for issue on 16 June 2023 by the directors of the trustee company.

Note 2 – 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. Changes in the Liability for Accrued Benefits are as follows:

	Current	Previous
Liability for Accrued Benefits at beginning of period	1,836,218.78	1,723,409.30
Benefits Accrued during the period	49,742.80	189,109.48
Benefits Paid during the period	(57,200.00)	(76,300.00)
Liability for Accrued Benefits at end of period	1,828,761.58	1,836,218.78

Any amount in the Unallocated Contributions account represent amounts that have been received by the fund from either the members of the fund or a third party but have not been allocated to any specific member as at the reporting date. It is the intention of the trustee to allocate any such amounts recorded as unallocated contributions within 28 days following the end of the month to specific fund member, which will increase the liability for members accrued benefits.

Note 3 – Vested Benefits

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

	Current	Previous
Vested Benefits at beginning of period	1,836,218.78	1,723,409.30
Benefits Accrued during the period	49,742.80	189,109.48
Benefits Paid during the period	(57,200.00)	(76,300.00)
Vested Benefits at end of period	1,828,761.58	1,836,218.78

Note 4 – Guaranteed Benefits

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

Note 5 – Funding Arrangements

No fixed funding arrangements were in place for the Fund as at year end.

Note 6A – Direct Property

	Current	Previous
At market value:		
1-15 Norman Street PEAKHURST	950,000.00	950,000.00
	950,000.00	950,000.00

This report should be read in conjunction with the accompanying compilation report.

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Note 6B – Managed Investments

	Current	Previous
At market value:		
Antipodes Global Fund - Class P	25,987.09	29,816.47
Bell Global Emerging Companies Fund	21,205.88	23,927.54
IOOF MultiMix Diversified Fixed Interest Trust	45,582.97	51,301.66
Magellan Global Fund	0.00	50,411.45
Perpetual Wholesale Diversified Real Return Fund - Class W	59,830.85	0.00
Platinum International Fund	61,722.75	73,856.89
Schroder Real Return CPI +5% Fund - WS	63,799.51	68,607.14
T. Rowe Price Global Equity Fund	47,089.75	63,310.20
	325,218.80	361,231.35

Note 6C – Other Assets

	Current	Previous
At market value:		
Other Receivable	132.00	0.00
	132.00	0.00

Note 6D – Shares in Listed Companies

	Current	Previous
At market value:		
Amcor PLC - Cdi 1:1 Foreign Exempt Nyse	40,373.52	33,860.94
Amp Limited - Ordinary Fully Paid	3,600.35	4,241.25
ANZ Group Holdings Limited - Cap Note 3-Bbsw+3.00 Perp Non-Cum Red T-03-28	19,752.00	0.00
AusNet Services Limited - Ordinary Fully Paid	0.00	29,522.50
Australia and New Zealand Banking Group Limited	19,804.97	25,306.85
Australia and New Zealand Banking Group Limited - Cap Note 6-Bbsw+3.40% Perp Non	0.00	20,022.00
BHP Group Limited	15,592.50	18,359.46
Boral Limited.	5,180.00	14,700.00
Carsales.Com Limited.	13,406.31	14,405.04
Cleanaway Waste Management Limited	30,292.92	49,096.08
Coles Group Limited.	10,917.53	10,476.17
Commonwealth Bank of Australia	41,574.80	45,940.20
Idp Education Limited	16,197.60	0.00
Macquarie Group Limited - Cap Note 3-Bbsw+4.00% Perp Non-Cum Red T-12-24	15,420.00	15,790.50
National Australia Bank Limited	17,748.72	16,990.56
Northern Star Resources Ltd	9,425.52	0.00
Origin Energy Limited	9,483.15	7,464.05
Sonic Healthcare Limited	12,741.86	14,822.40
Telstra Corporation Limited.	17,132.50	16,732.00
Webjet Limited	12,063.06	11,091.69
Wesfarmers Limited	25,690.83	36,228.30
Westpac Banking Corporation	13,455.00	17,808.90
Westpac Banking Corporation - Cap Note 3-Bbsw+3.70% Perp Non-Cum Red T-07-26	20,430.00	21,000.00
Woodside Energy Group Ltd	2,165.12	0.00
Woolworths Limited - Ordinary Fully Paid	12,958.40	13,879.32
	385,406.66	437,738.21

This report should be read in conjunction with the accompanying compilation report.

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Note 6E – Stapled Securities

	Current	Previous
At market value:		
National Storage REIT - Fully Paid Ordinary/Units Stapled Securities	18,735.70	17,334.90
Sydney Airport - Fully Paid Ordinary/Units Stapled Securities	0.00	13,548.60
Waypoint REIT - Fully Paid Ordinary/Units Stapled Securities	12,998.96	15,646.64
	31,734.66	46,530.14

Note 7A – Distributions

	Current	Previous
Antipodes Global Fund - Class P	3,027.30	1,758.72
Bell Global Emerging Companies Fund	246.62	543.14
IOOF MultiMix Diversified Fixed Interest Trust	558.88	2,834.15
Macquarie Income Opportunities Fund	0.00	993.93
Magellan Global Fund	1,001.62	1,855.18
Perpetual Wholesale Diversified Real Return Fund - Class W	4,148.56	0.00
Platinum International Fund	7,965.70	2,195.21
Schroder Real Return CPI +5% Fund - WS	592.84	3,822.79
T. Rowe Price Global Equity Fund	459.21	9,583.37
Macquarie Group Limited - Cap Note 3-Bbsw+4.00% Perp Non-Cum Red T-12-24	0.00	520.15
National Storage REIT - Fully Paid Ordinary/Units Stapled Securities	1,388.43	159.45
Waypoint REIT - Fully Paid Ordinary/Units Stapled Securities	2,436.41	0.00
	21,825.57	24,266.09

Note 7B – Dividends

	Current	Previous
Amp Limited - Ordinary Fully Paid	0.00	377.00
ANZ Group Holdings Limited - Cap Note 3-Bbsw+3.00 Perp Non-Cum Red T-03-28	409.00	0.00
AusNet Services Limited - Ordinary Fully Paid	801.33	1,602.66
Australia and New Zealand Banking Group Limited	1,276.58	539.40
Australia and New Zealand Banking Group Limited - Cap Note 6-Bbsw+3.40% Perp Non	171.46	526.20
BHP Group Limited	3,836.50	780.91
Boral Limited.	140.00	0.00
Carsales.Com Limited.	349.93	159.25
Cleanaway Waste Management Limited	892.66	1,045.22
Coles Group Limited.	373.93	370.87
Commonwealth Bank of Australia	1,725.00	1,140.80
Endeavour Group Limited	70.98	0.00
Macquarie Group Limited - Cap Note 3-Bbsw+4.00% Perp Non-Cum Red T-12-24	520.26	0.00
National Australia Bank Limited	822.96	388.80
Origin Energy Limited	331.01	372.38
Orora Limited	0.00	98.51
Rio Tinto Limited - Ordinary Fully Paid	0.00	220.80
Sonic Healthcare Limited	505.66	0.00
South32 Limited	0.00	11.06
Telstra Corporation Limited.	712.00	712.00
Webjet Limited	75.60	0.00
Wesfarmers Limited	1,042.10	1,121.79
Westpac Banking Corporation	834.90	614.10
Westpac Banking Corporation - Cap Note 3-Bbsw+3.70% Perp Non-Cum Red T-07-26	528.04	526.34
Woolworths Limited - Ordinary Fully Paid	342.16	367.64
	15,762.06	10,975.73

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Note 7C – Foreign Income

	Current	Previous
Amcor PLC - Cdi 1:1 Foreign Exempt Nyse	1,465.21	1,407.26
	1,465.21	1,407.26

Note 7D – Interest

	Current	Previous
Cash at Bank (Asset Link Cash A/C)	0.00	0.39
Cash at Bank (BT Panorama)	1.89	0.03
Cash at Bank (Macquarie Bank) a/c 117450403	37.23	34.40
	39.12	34.82

Note 7E – Rent

	Current	Previous
1-15 Norman Street PEAKHURST	44,700.00	29,850.00
	44,700.00	29,850.00

Note 8A – Realised Capital Gains

	Current	Previous
Managed Investments		
Macquarie Income Opportunities Fund	0.00	(1,745.04)
Magellan Global Fund	18,236.47	0.00
Perpetual W/S Share Plus Long-Short Fund	0.00	(1,853.56)
Shares in Listed Companies		
AusNet Services Limited - Ordinary Fully Paid	23,871.22	0.00
Cleanaway Waste Management Limited	14,695.67	7,812.77
Endeavour Group Limited	(9,376.24)	0.00
Orora Limited	0.00	2,989.63
Rio Tinto Limited - Ordinary Fully Paid	0.00	3,835.10
South32 Limited	0.00	(435.08)
Stapled Securities		
Sydney Airport - Fully Paid Ordinary/Units Stapled Securities	6,415.20	0.00
	53,842.32	10,603.82

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Note 8B – Decrease in Market Value

	Current	Previous
Managed Investments		
Antipodes Global Fund - Class P	3,829.38	(3,854.48)
Bell Global Emerging Companies Fund	2,721.66	(2,927.54)
IOOF MultiMix Diversified Fixed Interest Trust	5,718.69	2,698.34
Macquarie Income Opportunities Fund	0.00	(2,210.51)
Magellan Global Fund	22,093.94	(2,117.10)
Perpetual W/S Share Plus Long-Short Fund	0.00	(3,167.66)
Perpetual Wholesale Diversified Real Return Fund - Class W	5,169.15	0.00
Platinum International Fund	12,134.14	(13,591.73)
Schroder Real Return CPI +5% Fund - WS	5,856.13	(3,760.13)
T. Rowe Price Global Equity Fund	16,220.45	(9,258.90)
Shares in Listed Companies		
Amcor PLC - Cdi 1:1 Foreign Exempt Nyse	(6,512.58)	(1,454.70)
Amp Limited - Ordinary Fully Paid	640.90	2,752.10
ANZ Group Holdings Limited - Cap Note 3-Bbsw+3.00 Perp Non-Cum Red T-03-28	(762.20)	0.00
AusNet Services Limited - Ordinary Fully Paid	9,489.55	(1,349.60)
Australia and New Zealand Banking Group Limited	5,501.88	(8,549.49)
Australia and New Zealand Banking Group Limited - Cap Note 6-Bbsw+3.40% Perp Non	1,032.20	326.00
BHP Group Limited	2,766.96	(4,819.50)
Boral Limited.	4,220.00	(7,120.00)
Carsales.Com Limited.	998.73	1,275.70
Cleanaway Waste Management Limited	13,494.84	(3,423.58)
Coles Group Limited.	(441.36)	49.04
Commonwealth Bank of Australia	4,365.40	(14,007.00)
Idp Education Limited	3,901.78	0.00
Macquarie Group Limited - Cap Note 3-Bbsw+4.00% Perp Non-Cum Red T-12-24	370.50	(538.50)
National Australia Bank Limited	(758.16)	(5,184.00)
Northern Star Resources Ltd	5,572.25	0.00
Origin Energy Limited	(2,019.10)	2,201.15
Orora Limited	0.00	2,721.43
Rio Tinto Limited - Ordinary Fully Paid	0.00	4,261.70
Sonic Healthcare Limited	2,080.54	(747.62)
South32 Limited	0.00	(482.44)
Telstra Corporation Limited.	(400.50)	(2,803.50)
Webjet Limited	(971.37)	(3,591.81)
Wesfarmers Limited	9,311.47	(8,747.51)
Westpac Banking Corporation	4,353.90	(5,423.40)
Westpac Banking Corporation - Cap Note 3-Bbsw+3.70% Perp Non-Cum Red T-07-26	570.00	(800.00)
Woodside Energy Group Ltd	(141.44)	0.00
Woolworths Limited - Ordinary Fully Paid	(11,025.14)	(309.40)
Stapled Securities		
National Storage REIT - Fully Paid Ordinary/Units Stapled Securities	(1,400.80)	(791.90)
Sydney Airport - Fully Paid Ordinary/Units Stapled Securities	(511.20)	511.20
Waypoint REIT - Fully Paid Ordinary/Units Stapled Securities	2,647.68	(614.92)
	120,118.27	(94,850.26)

This report should be read in conjunction with the accompanying compilation report.