

# The Indian Odyssey Unit Trust

ABN: 38 101 211 321

For the Year Ended 30 June 2017

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**THE INDIAN ODYSSEY UNIT TRUST**

**ABN:38 101 211 321**

**Financial Report**

**For the Year Ended 30th June 2017.**

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## STATEMENT BY THE DIRECTORS

In accordance with a resolution of the Board of Directors of the Indian Odyssey Pty Ltd as trustee for the "The Indian Odyssey Unit Trust", the director of the trustee company declare that:

1. the financial statements and notes, as set out on page 4 to 18, present fairly the Unit Trust's financial position as at 30 June 2017 and its performance for the year ended on the date in accordance with the accounting Australian Accounting Standards (including Australian Accounting Interpretations), Policies described in Note 1 to the financial statements; and
2. in the Director's Opinion, at the date of this statement there are reasonable grounds to believe that the "The Indian Odyssey Unit Trust" will be able to pay its debts as and when they become due and Payable

Director                      James

Director                      David

Dated this            12th September 2017

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## STATEMENT OF COMPREHENSIVE INCOME

	NOTE	2017
		\$
Revenue	1	638,254.00
Cost of sales	2	(262,610.00)
<hr/>		
Gross Income		3,75,644.00
<hr/>		
Other Income	3	1,644.00
Distribution Cost	4	0.00
Administrative Expenses	5	330,948.00
Other Expenses	6	41,082.00
<hr/>		
Profit Before Tax		5,258.00
<hr/>		
Net Profit/ (Loss)		5,258.00
<hr/>		
Other Comprehensive Income		-
<hr/>		
<b>Total Comprehensive Income</b>		5,258.00
accompanying notes from part of these financial statements		
<hr/>		

# The Indian Odyssey Unit Trust

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## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	NOTE	2017 \$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash & Cash Equivalents	7	67,898.00
Inventory	8	17,170.00
Other Current Assets	9	450.00
<b>TOTAL CURRENT ASSETS</b>		<b>85,518.00</b>
<b>NON CURRENT ASSETS</b>		
Other Financial Assets		27,400.00
Property, Plant and Machinery	10	344,914.00
Other Intangible Assets	10	
<b>TOTAL NON CURRENT ASSETS</b>		<b>372,314.00</b>
<b>TOTAL ASSETS</b>		<b>457,832.00</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables	11	8,710.00
Borrowings	12	38,016.00
Provisions	15	8,750.00
Other Liabilities	16	64,012.00
<b>TOTAL CURRENT LIABILITIES</b>		<b>119,488.00</b>
<b>NON CURRENT LIABILITIES</b>		
Borrowing		133,086.00
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>133,086.00</b>
<b>TOTAL LIABILITIES</b>		<b>252,574.00</b>
<b>NET ASSETS</b>		<b>205,258.00</b>

The accompanying notes from part of these financial statements

## The Indian Odyssey Unit Trust

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	<b>NOTE</b>	<b>\$</b>
<b>EQUITY</b>		
Issued Units (200,000 Units * \$1)	17	200,000.00
Accumulated Gain		5,258.00
<b>TOTAL EQUITY</b>		<b>205,258.00</b>

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The accompanying notes from part of these financial statements

## The Indian Odyssey Unit Trust

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### **STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017**

	CONTRIBUTED CAPITAL	RETAINED EARNINGS	TOTAL
Balance as at 01 July 2016	\$ 0	\$ 0	\$ 0
Contributed/(Reduction) in capital	200,000	-	200,000
Operating Result for the Year	-	13,158	13,158
Balance as at 30 June 2017	200,000	13,158	213,158

The accompanying notes from part of these financial statements

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report covers "The Indian Odyssey Unit Trust" as an individual entity. The trust is domiciled in Australia.

The trustee of the trust is "Indian Odyssey Pty Ltd" The trustee's registered office is 41 Bancroft street, wilston , QLD 4151.

The financial statements were authorised for issue on 12th of September 2017 by the Board of Directors.

#### **Summary of Significant accounting policies**

This is a special purpose financial report that has been prepared for the sole purpose of fulfilling the Trustee's responsibilities to prepare and distribute a financial report to members and must not be used for any other purpose. The Trustee has agreed that the accounting policies adopted by the trust are appropriate to meet the need of the unit holders.

As the trust is not a reporting entity it is not required to prepare financial reports in accordance with Accounting Standards. However, the financial reports have been prepared in accordance with the accounting policies as mentioned below.

AASB 101 Presentation of Financial Statements

AASB 7 Financial Instruments : Disclosures

AASB 132 Financial Instruments : Presentation

AASB 139 Financial Instruments : Recognition and Measurement

#### **(a) Basis of Preparation**

The Indian Odyssey Unit Trust applies Australian Accounting Standards. Australian Accounting standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement of fair value of selected non-current assets, financial assets and financial liabilities.



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## (b) Financial Instruments

### (i) Classification

- The Trust's investments are categorized as at fair value through profit and loss. They comprise:
- Financial instrument are recognized at fair value through profit or loss. These include financial assets that are not held for trading purposes and which may be sold.

### (ii) Recognition

- The Trust recognises financial assets and liabilities on the date it becomes party to the contractual agreement and recognizes changes in fair value of financial assets and financial liabilities from the trade date.
- Investment are derecognised when the right to receive cash flows from such investment has been expired or trust have transferred the ownership of such financial asset or liabilities.

## (c) Cash & Cash Equivalent

Cash and cash equivalent includes cash on hand and deposits held at call with financial institutions. Cash equivalents include other short term, highly liquid investment with maturity time of less than 3 months.

## (d) Investment Income

Trust distribution are recognized on entitlement basis.

## (e) Expenses

All expenses has been recorded in the statement of comprehensive income on an accrual basis.

## (f) Income Tax

Under Current Income Tax legislation, the trust is not subject to income tax if the taxable income of the trust is fully distributed either by way of cash or reinvestment.

## (g) Distributions

In accordance with the Trust Constitution, the trust distributes

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**(h) Receivables**

Receivables are accrued when the right to receive the payment is established.

**(i) Payables**

Payables includes liabilities and accrued expenses which are unpaid as at year end.

**(j) Goods & Service Tax (GST)**

Revenues, expenses and assets are recognized net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). A net of GST Payable and Gst Receivable has been shown in statement of financial positions.

**(k) Comparative figures**

The trust has started its operation from 01 August 2016 hence there are no comparative figures for the last year.

**(l) Impairment**

At the end of each reporting period, the trust takes an impairment assessment to find out of any indication that the asset may be impaired. If such an indication exist, an impairment test. However during the Impairment testing, no indication of asset being impaired is found.

**(m) Property, Plant & Equipment**

Plant and equipment are stated on cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment loss. In the event of carrying amount of plant and equipment is greater than than its estimated recoverable amount, the carrying amount is written off immediately to its estimated recoverable amount and impairment losses either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset.

The cost of fixed assets constructed within by the entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overhead.

**(n) Depreciation**

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The depreciable amount of all fixed assets, including buildings and capitalised lease assets, is depreciated on straight line basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rate used for each class of depreciable asset are:

Leasehold Improvements	2.5% pa.
Property Plant & Equipments	10-25% pa.
Computer Software	20% pa.
Liquor license	25% pa.
Leased Motor Vehicle	16.66% pa.

<b>Note: 2</b>	<b>Revenue</b>	<b>2017</b>
		<b>\$</b>
	Food & Beverage Sales	638254.00
	<b>TOTAL</b>	<b>638,254.00</b>

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<b>Note: 3</b>	<b>COST OF SALES</b>	<b>2017</b>
		<b>\$</b>
	Opening Inventory	11,220.00
	Purchases	268,560.00
	<b>Closing Inventory</b>	<b>17,170.00</b>
	<b>TOTAL</b>	<b>262,610.00</b>

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<b>Note: 3</b>	<b>OTHER INCOME</b>	<b>2017</b>
		\$
	Dividend Income	1,500.00
	Interest Income	144.00
	<b>TOTAL</b>	<b>1,644.00</b>

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<b>Note: 4</b>	<b>DISTRIBUTION COST</b>	<b>2017</b>
		\$

<b>Note: 5</b>	<b>ADMINISTRATIVE EXPENSE</b>	<b>2017</b>
		\$
	Accounting & Book Keeping Fee	5,880.00
	Advertising	9,021.00
	Bank Fee	878.00
	Cleaning	9,278.00
	Computer Expenses	4,276.00
	Consumables	3,560.00
	Credit Card Fee	1,742.00
	Electricity	9,453.00
	Entertainment - Christmas Party	482.00
	Establishment Cost	1,530.00
	Gas	4,765.00
	Insurance	8,120.00
	Legal Expenses	2046.00
	Motor Vehicle Expenses	6,120.00
	Opening Party	2,200.00
	Pest Control	1,234.00
	Printing Postage and Stationary	2,812.00
	Rent	52,000.00
	Repair & Maintenance	1,968.00
	Salaries & Wages- Trustee	60,000.00
	Salaries & Wages- Other Staff	112,480.00
	Staff Amenities	812.00
	Superannuation Trustees	5,700.00

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Superannuation Other Staff	10,685.00
Sundry Expenses	1,065.00
Telephone	2,978.00
Uniforms	640.00
Workers Compensation	472.00
<b>Paid Annual Leave</b>	<b>8,750.00</b>
<b>TOTAL</b>	<b>330,948.00</b>

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### NOTE 6: OTHER EXPENSES

Interest Expenses	10,628.00
Accumulated Depreciation	29,098.00
Lease Interest Expenses	1,356.90
<b>TOTAL</b>	<b>41,082.90</b>

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### NOTE 7: CASH AND CASH EQUIVALENTS

Cash at Bank	26,698.00
Petty Cash	200.00
Cash Float	1,000.00
Term Deposit	40,000.00
<b>TOTAL</b>	<b>67,898.00</b>

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### NOTE 8: Inventory

Inventory	17,170.00
<b>TOTAL</b>	<b>17,170.00</b>

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### NOTE 9: OTHER CURRENT ASSETS

Franking Credit	450.00
<b>TOTAL</b>	<b>450.00</b>

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## NOTE 10: LEASEHOLD IMPROVEMENTS, PROPERTY, PLANT & EQUIPMENT, COMPUTER SOFTWARE, LIQUOR LICENSE, & MOTOR VEHICLE

	<b>2017</b>
	<b>\$</b>
Leasehold Land	182,400
Accumulated Depreciation	4,173
<b>TOTAL</b>	<b>178,227</b>
<hr/>	
Property, Plant & Equipment	118,264
Accumulated Depreciation	15,034
<b>TOTAL</b>	<b>103,230</b>
<hr/>	
Computer Software	12,780
Accumulated Depreciation	2339
<b>TOTAL</b>	<b>10441</b>
<hr/>	
Liquor License	7,250
Accumulated Depreciation	3,317
<b>TOTAL</b>	<b>3,933</b>
<hr/>	
Motor Vehicle	53,318
Accumulated Depreciation	4,235
<b>TOTAL</b>	<b>49,83</b>

### Movement in carrying amount

	LEASE HOLD IMPROVEMENTS	PROPERTY PLANT & EQUIPMENTS	COMPUTER SOFTWARE	LIQUOR LICENSE	LEASED MOTOR VEHICLE
	\$	\$	\$	\$	\$
<b>BALANCE AS AT 01 JULY 216</b>	0.00	0.00	0.00	0.00	0.00
<b>ADDITIONS</b>	182400.00	118264.00	12780.00	7250.00	53318
<b>DISPOSALS</b>	0.00	0.00	0.00	0.00	0.00
<b>DEPRECIATION</b>	4173.00	15034.00	2339.00	3317.00	4235.00
<hr/>					
<b>CARRYING AMOUNT AS AT 30 JUNE 207</b>	178227.00	103230.00	10441.00	3933.00	49083

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## NOTE 11: TRADE AND OTHER PAYABLES

Trade Creditors	8,710.00
<b>TOTAL</b>	<b>8,710.00</b>

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## NOTE 12: BORROWINGS - CURRENT

Bank of Brisbane	38,016.00
<b>TOTAL</b>	<b>38,016.00</b>

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## NOTE 13: PROVISIONS

Provision for Annual Leave	8,750.00
<b>TOTAL</b>	<b>8,750.00</b>

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## NOTE 13: OTHER CURRENT LIABILITIES

GST Payable	4470.00
PAYG Withholding	9340.00
MV- Lease Liability	50,201.84
<b>TOTAL</b>	<b>64,011.84</b>

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## NOTE 14: BORROWING- NON CURRENT

BANK OF BRISBANE	1,33,086.00
<b>TOTAL</b>	<b>133,086.00</b>

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## NOTE 14: ISSUED CAPITAL

2,00,000 fully paid unit issued at \$ 1 each	200,000.00
<b>TOTAL</b>	<b>200,000.00</b>

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### **NOTE 15: EVENT SUBSEQUENT TO REPORTING DATE**

On July 21, 2017 the trust have received a notification of a pending legal suit from a customer who suffered extreme & violent food poisoning a day or two after having dinner at the restaurant. The trustee Mr. David & James have engaged solicitor to look after the case and as per solicitor likelihood of restaurant loosing the case is less than 10%.

The person have sued the trust for \$ 25,000 for out of pocket medical expenses, loss of earnings from not being able to work for four weeks as well as emotional trauma he suffered as a result of food poisoning.

Other than the matter noted above, there have been no events subsequent to balance sheet date which would have a material effect on the trust financial statement as on 30 June 2017.

### **NOTE 16: LEASE COMMITMENTS**

On January 8, 2017 the trust have entered into a non-cancellable lease agreement to finance the acquisition of a motor vehicle (i.e. a Ford Transit SWB Van) for six years commencing from January 8, 2017. The trust will pay the lessor a sum amount of \$ 820 on the 8th of each month for 72 months and a residual guaranteed payment of \$ 11,000 at the end of lease and will take the full legal possession of the van.



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## **MINUTES OF MEETING OF TRUSTEES**

- Date: 30 June 2017
- Held at: 41 Bancroft Street Wilston, QLD 4051
- Time: 11.00 am
- Present: Mr. James & Mr. David
- Chairman: Mr. James was appointed as chairman of the meeting
- Determination of Income: RESOLVED THAT, in exercise of the power in the Trust Deed and every other power enabling it, the Trustee determines that the income of the Trust for the year ending 30 June 2017 comprises all those amounts being income for the purposes of the accounting records of the Trust ("Accounting Records"), less the expenses and outgoings of the Trust for the year ending 30 June 2017 attributed to those amounts for the purposes of the Accounting Records, in each case whether recorded in the Accounting Records by or after 30 June 2017.
- Distribution of Income: RESOLVED THAT, in exercise of the power in the Trust Deed and every other power enabling it the following classes or categories of income of the Trust for the year ending 30 June 2017 are hereby set aside for the benefit of the following beneficiaries, and in the following amounts and/or proportions as set out in the table below:

Distribution of Income of the trust by the trustees to the "Unit Holders" of the trust in an accordance to trust deed. The proposed distribution of Trust income to be paid, applied or set aside for the Accounting Period ending 30 June 2017 is as follows:

	\$	Unit Holder
• Firstly, 50% of Income	2,104	The Prakash Family Trust
• Next, 50% of Income	2,104	The Singh Family Trust

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The proposed distribution of Franked Dividend to be paid, applied or set aside for the Accounting Period ending 30 June 2017 is as follows:

	\$	Unit Holder
• Firstly, 50% of Franked Dividend	525	The Prakash Family Trust
• Next, 50% of Franked Dividend	525	The Singh Family Trust

The proposed distribution of Franked Dividend Credit to be paid, applied or set aside for the Accounting Period ending 30 June 2017 is as follows:

	\$	Unit Holder
• Firstly, 50% of Franked Dividend Credit	225	The Prakash Family Trust
• Next, 50% of Franked Dividend Credit	225	The Singh Family Trust

**Closure:** There being no further business the chairperson declared the meeting closed.

**Confirmed:** signed by james (Chairman of the meeting)

**Date:** 30 June 2017

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## RECONCILIATION STATEMENT

	<b>Primary Production Income</b>	<b>Non Primary Production Income</b>	
	\$	\$	
<b>A</b>	<b>Net Profit/ Loss in accounts</b>	<b>5,258</b>	<b>0</b>
<b>B</b>	<b>Income Reconciliation adjustment (G)</b>	<b>(1500)</b>	<b>0</b>
<b>C</b>	<b>Expenses Reconciliation adjustment (J)</b>	<b>(46,641)</b>	<b>0</b>
<hr/>			
<b>D</b>	<b>Net Income or Loss from Business (A+B+C)</b>	<b>(42,883)</b>	<b>0</b>
<hr/>			
<b>Income Reconciliation Adjustment</b>			
<b>E</b>	<b>Income Add Backs</b>	<b>0</b>	<b>0</b>
<b>F</b>	<b>Income Substractions</b>		
	<b>Dividend</b>	<b>1050</b>	
	<b>Dividend Franking Credit</b>	<b>450</b>	<b>0</b>
<b>G</b>	<b>Subtotal (E-F)</b>	<b>(1500)</b>	<b>0</b>
<b>Expenses Reconciliation Adjustment</b>			
<b>H</b>	<b>Expenses Addbacks:</b> expenses shown in account which are not tax deductible		
	Depreciation Charged In Accounts	29,088	0
	Other Items not allowable as deduction		
	Christmas Party Expenses	482	0
	Prepaid Rent not deductible this year	8,000	0
	Staff Amenities	812	0
	Other Non Deductible Expenses	1,065	0
	Uniform Expenses	640	0
<hr/>			
	<b>Total (H)</b>	<b>40,087</b>	<b>0</b>
<hr/>			
<b>I</b>	<b>Expenses Substractions:</b> expenses shown in account which are tax deductible		
	Deductable balancing adjustment on depreciating asset **	86,728	0
<hr/>			
	<b>Total (I)</b>	<b>86,728</b>	<b>0</b>
<hr/>			

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**J Subtotal (H-I) (46,641) 0**

### **\*\*Deductible balancing adjustment on depreciating asset**

#### **Immediate 100% deduction on asset valuing less than 20,000**

	<b>Value</b>	<b>Depreciation</b>
Cash Register	4,400	4,400
Desktop Computer	3,174	3,174
Crockery	2,150	2,150
Table & Chair	18,560	18,560
Liquor license	7,250	7,250

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**Total (A) 35,534 35,534**

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#### **15% DV in first year of asset in SBE**

Leasehold Land	1,82,400	
Refrigerators	28,980	
Kitchen Equipment	24,320	
Ovens	36,680	
Leased Motor Vehicle	53,318	

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**Total (B) 325,698 48,855**

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#### **Prime Cost Depreciation**

Computer Software	12,780	2,339
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**Total (C) 12,780 2,339**

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**Total Depreciation 86,728**

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## Suggestion for student

### A. Make entry in myob for following:

1. Remove the earlier accumulated depreciation entry and make the entry as per calculated figure in excel or as per amount shown in note 10.

2. For lease purchase make the entry as:

Leased Motor Vehicle	7318
MV- Lease Liability	7318

Lease Interest Expense 1356.9

MV- Lease Liability 3115.8

Cash at Bank	4472.70
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3. Paid annual leave 8750  
    Provision for annual leave 8750

**B. In accountants compilation report write the name of the firm which has been assigned to you in your semester.**

**C. In trust tax return use the address of beneficiaries (Page 11 & 12) as provided to you in your business plan.**

*In terms of the trust distribution of the net income to each of the two unitholders (ie. Item 55 Statement of Distribution), please use the personal addresses for both James and David contained on page 19 of the business plan. The address can be used instead of providing the two tax file numbers of each family trust.*

**Write tax return in your own handwriting and write whatever additional information about address and all in the tax return and make sure you attach the reconciliation statement at the end of the trust return.**

**I have attached an excel file also for calculation of lease payment and depreciation. you can attach that with your assignment. Moreover you have to submit the assignment in only one pdf. So you have to arrange that in this fashion:**

## **PART 6: Submission Instructions**

Please collate the following documents into one pdf document in the following order:

- Signed Student Integrity Declaration (on page 28);
- Criteria Sheet (on page 29);
- Part 1 - Your MYOB Adjusting Journal Entries dated 30 June 2017 including your revised MYOB Profit and Loss Statement and Balance Sheet as at 30 June 2017;
- Part 2 - The 2017 Annual Report of The Indian Odyssey Unit Trust (including the external financial statements, notes to the accounts, the Trustee's Declaration and Accountant's Compilation Report) – in that order;
- Part 3 - The 2017 income tax return of The Indian Odyssey Unit Trust, including the one-page tax reconciliation (at the end of the last page of the tax return).

**and one more thing remove these two pages from your assignment. pg 21 & 22**

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