

---

Financial statements and reports for the year ended  
30 June 2018

TC Sullivan Superannuation Fund

**TC Sullivan Superannuation Fund**  
**Operating Statement**

For the year ended 30 June 2018

	Note	2018	2017
		\$	\$
<b>Income</b>			
<b>Investment Income</b>			
Interest Received		76,920.71	6,110.99
<b>Contribution Income</b>			
Personal Concessional		0.00	31,000.00
Personal Non Concessional		7,000.00	419,050.00
<b>Total Income</b>		<u>83,920.71</u>	<u>456,160.99</u>
<b>Expenses</b>			
Accountancy Fees		550.00	0.00
Administration Costs		341.00	0.00
ATO Supervisory Levy		518.00	0.00
Auditor's Remuneration		418.00	0.00
ASIC Fees		48.00	0.00
<b>Member Payments</b>			
Pensions Paid		79,380.78	5,801.00
<b>Total Expenses</b>		<u>81,255.78</u>	<u>5,801.00</u>
<b>Benefits accrued as a result of operations before income tax</b>		<u>2,664.93</u>	<u>450,359.99</u>
Income Tax Expense		98.10	5,037.45
<b>Benefits accrued as a result of operations</b>		<u>2,566.83</u>	<u>445,322.54</u>

*The accompanying notes form part of these financial statements.*

*Refer to compilation report*

**TC Sullivan Superannuation Fund**  
**Statement of Financial Position**

As at 30 June 2018

	Note	2018 \$	2017 \$
<b>Assets</b>			
<b>Investments</b>			
Mortgage Loans (Australian)	2	440,000.00	450,000.00
<b>Total Investments</b>		<u>440,000.00</u>	<u>450,000.00</u>
<b>Other Assets</b>			
CBA Direct Investment Acc #9964		7,987.47	359.99
<b>Total Other Assets</b>		<u>7,987.47</u>	<u>359.99</u>
<b>Total Assets</b>		<u>447,987.47</u>	<u>450,359.99</u>
Less:			
<b>Liabilities</b>			
Income Tax Payable		98.10	5,037.45
<b>Total Liabilities</b>		<u>98.10</u>	<u>5,037.45</u>
<b>Net assets available to pay benefits</b>		<u>447,889.37</u>	<u>445,322.54</u>
Represented by:			
<b>Liability for accrued benefits allocated to members' accounts</b>			
Sullivan, Timothy - Pension (Account Based Pension)		440,800.33	445,322.54
Sullivan, Timothy - Pension (Account Based Pension 2)		7,089.04	0.00
<b>Total Liability for accrued benefits allocated to members' accounts</b>		<u>447,889.37</u>	<u>445,322.54</u>

*The accompanying notes form part of these financial statements.*

*Refer to compilation report*

# Notes to the Financial Statements

For the year ended 30 June 2018

---

## **Note 1: Summary of Significant Accounting Policies**

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

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

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

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

### **a. Measurement of Investments**

The fund initially recognises:

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

Investments of the fund have been measured at market value, which refers to the amount that a willing buyer could reasonably be expected to pay to acquire 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 value has been determined as follows:

- (i) shares and other securities listed on the Australian Securities Exchange by reference to the relevant market quotations at the end of the reporting period;
- (ii) units in managed funds by reference to the unit redemption price at the end of the reporting period;
- (iii) fixed-interest securities by reference to the redemption price at the end of the reporting period;
- (iv) unlisted investments are stated at trustees' assessment based on estimated market value at balance date or where necessary, an external valuer's opinion; and
- (v) investment properties at the trustees' assessment of the market value or where necessary a qualified independent valuer's opinion at the end of reporting period.

Financial liabilities, such as trade creditors and other payables, are measured at the gross value of the outstanding balance at the end of the reporting period. The trustees have determined that the gross values of the fund's financial liabilities is equivalent to their market values. Any remeasurement changes in the gross values of non-current financial liabilities (including liabilities for members' accrued benefits) are recognised in the operating statement in the periods in which they occur.

### **b. Cash and Cash Equivalents**

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

### **c. Revenue**

Revenue is recognised 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.

## Notes to the Financial Statements

For the year ended 30 June 2018

---

### Dividend revenue

Dividend revenue is recognised when the dividend has been paid or, in the case of dividend reinvestment schemes, when the dividend is credited to the benefit of the fund.

### Rental revenue

Rental revenue arising from operating leases on investment properties is recognised upon receipt.

### Distribution revenue

Distributions from unit trusts and managed funds are recognised as at the date the unit value is quoted ex-distribution and if not received at the end of the reporting period, are reflected in the statement of financial position as a receivable at market value.

### Remeasurement changes in market values

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

### d. Liability for Accrued Benefits

The liability for accrued benefits represents the fund's present obligation to pay benefits to members and beneficiaries, and has been calculated as the difference between the carrying amount of the assets and the carrying amount of the other payables and income tax liabilities as at the end of the reporting period.

### e. Critical Accounting Estimates and Judgements

The preparation of financial statements requires the trustees to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

### Note 2: Mortgage Loans (Australian)

	2018 \$	2017 \$
Ascent Invest 1	440,000.00	430,000.00
Ascent Invest 2	0.00	20,000.00
	<hr/> 440,000.00 <hr/>	<hr/> 450,000.00 <hr/>

**TC Sullivan Superannuation Fund**  
**TC Sullivan Super Pty Ltd ACN: 615715065**  
**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 ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
- (ii) the financial statements and notes to the financial statements have been prepared in accordance with the requirements of the trust deed; and
- (iii) the operation of the superannuation fund has been carried out in accordance with its trust deed and in compliance with the requirements of the Superannuation Industry (Supervision) Act 1993 and associated Regulations during the year ended 30 June 2018.

Specifically, the directors of the trustee company declares that:

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

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

.....  
Timothy Sullivan  
TC Sullivan Super Pty Ltd  
Director

Dated this ..... day of .....

---

Member's Statements for the year ended 30<sup>th</sup> June  
2018

Fund Name: TC Sullivan Superannuation Fund

---

Prepared for: TC Sullivan Super Pty Ltd

# Members Statement

Timothy Charles Sullivan  
 4B Rowlands Street  
 KEWDALE, Western Australia, 6105, Australia

### Your Details

Date of Birth : 03/07/1957  
 Age: 60  
 Tax File Number: Provided  
 Date Joined Fund: 03/11/2016  
 Service Period Start Date: 03/11/2016  
 Date Left Fund:  
 Member Code: SULTHO00001A  
 Account Start Date 03/11/2016  
 Account Type: Accumulation  
 Account Description: Accumulation

Nominated Beneficiaries N/A  
 Vested Benefits  
 Total Death Benefit

### Your Balance

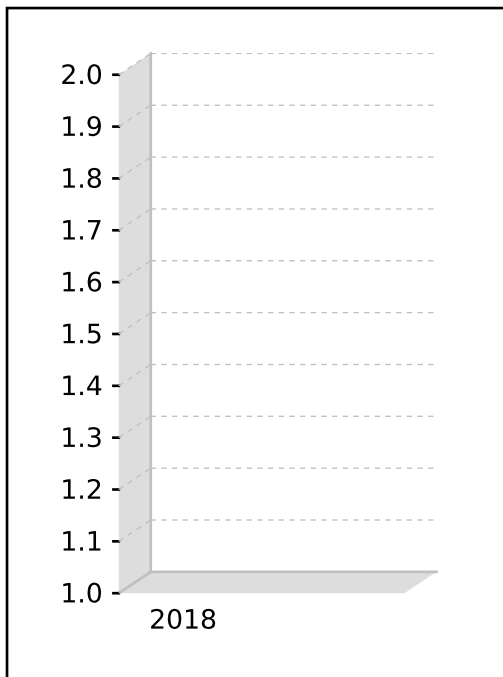
#### Total Benefits

Preservation Components

Preserved  
 Unrestricted Non Preserved  
 Restricted Non Preserved

Tax Components

Tax Free  
 Taxable



### Your Detailed Account Summary

	This Year
Opening balance at 01/07/2017	
<u>Increases to Member account during the period</u>	
Employer Contributions	
Personal Contributions (Concessional)	
Personal Contributions (Non Concessional)	7,000.00
Government Co-Contributions	
Other Contributions	
Proceeds of Insurance Policies	
Transfers In	
Net Earnings	98.10
Internal Transfer In	
<u>Decreases to Member account during the period</u>	
Pensions Paid	
Contributions Tax	
Income Tax	98.10
No TFN Excess Contributions Tax	
Excess Contributions Tax	
Refund Excess Contributions	
Division 293 Tax	
Insurance Policy Premiums Paid	
Management Fees	
Member Expenses	
Benefits Paid/Transfers Out	
Superannuation Surcharge Tax	
Internal Transfer Out	7,000.00
Closing balance at 30/06/2018	0.00



# Members Statement

Timothy Charles Sullivan  
 4B Rowlands Street  
 KEWDALE, Western Australia, 6105, Australia

### Your Details

Date of Birth : 03/07/1957  
 Age: 60  
 Tax File Number: Provided  
 Date Joined Fund: 03/11/2016  
 Service Period Start Date: 03/11/2016  
 Date Left Fund:  
 Member Code: SULTIM00001P  
 Account Start Date 29/05/2017  
 Account Type: Pension  
 Account Description: Account Based Pension

Nominated Beneficiaries N/A  
 Vested Benefits 440,800.33  
 Total Death Benefit 440,800.33

### Your Balance

Total Benefits 440,800.33

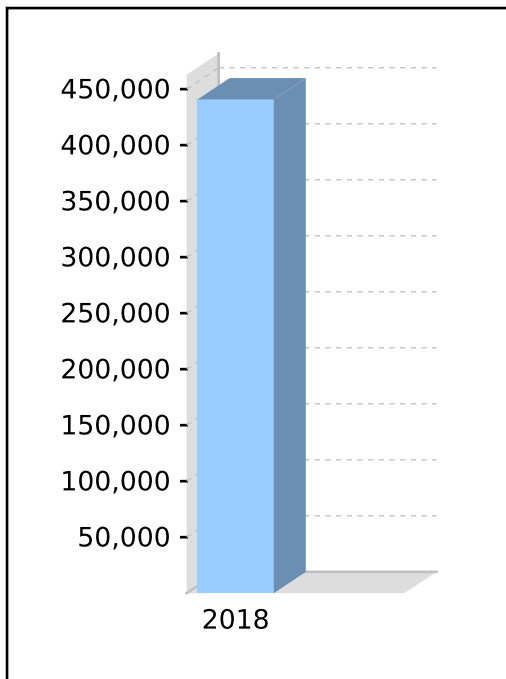
Preservation Components

Preserved

Unrestricted Non Preserved 440,800.33  
 Restricted Non Preserved

Tax Components

Tax Free (94.08%) 414,722.63  
 Taxable 26,077.70



### Your Detailed Account Summary

	This Year
Opening balance at 01/07/2017	445,322.54
<u>Increases to Member account during the period</u>	
Employer Contributions	
Personal Contributions (Concessional)	
Personal Contributions (Non Concessional)	
Government Co-Contributions	
Other Contributions	
Proceeds of Insurance Policies	
Transfers In	
Net Earnings	74,578.57
Internal Transfer In	
<u>Decreases to Member account during the period</u>	
Pensions Paid	79,100.78
Contributions Tax	
Income Tax	
No TFN Excess Contributions Tax	
Excess Contributions Tax	
Refund Excess Contributions	
Division 293 Tax	
Insurance Policy Premiums Paid	
Management Fees	
Member Expenses	
Benefits Paid/Transfers Out	
Superannuation Surcharge Tax	
Internal Transfer Out	
Closing balance at 30/06/2018	440,800.33

# Members Statement

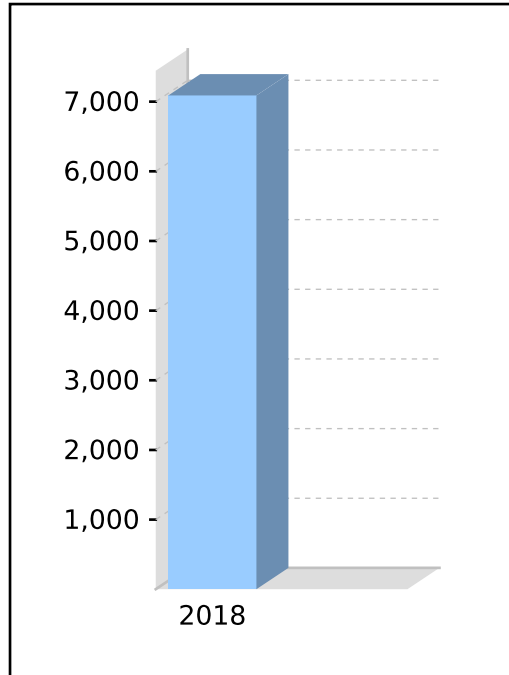
Timothy Charles Sullivan  
 4B Rowlands Street  
 KEWDALE, Western Australia, 6105, Australia

### Your Details

Date of Birth :	03/07/1957	Nominated Beneficiaries	N/A
Age:	60	Vested Benefits	7,089.04
Tax File Number:	Provided	Total Death Benefit	7,089.04
Date Joined Fund:	03/11/2016		
Service Period Start Date:	03/11/2016		
Date Left Fund:			
Member Code:	SULTIM00003P		
Account Start Date	23/02/2018		
Account Type:	Pension		
Account Description:	Account Based Pension 2		

### Your Balance

<b>Total Benefits</b>	<b>7,089.04</b>
<u>Preservation Components</u>	
Preserved	
Unrestricted Non Preserved	7,089.04
Restricted Non Preserved	
<u>Tax Components</u>	
Tax Free (100.00%)	7,089.04
Taxable	



### Your Detailed Account Summary

	<b>This Year</b>
Opening balance at 01/07/2017	
<u>Increases to Member account during the period</u>	
Employer Contributions	
Personal Contributions (Concessional)	
Personal Contributions (Non Concessional)	
Government Co-Contributions	
Other Contributions	
Proceeds of Insurance Policies	
Transfers In	
Net Earnings	369.04
Internal Transfer In	7,000.00
<u>Decreases to Member account during the period</u>	
Pensions Paid	280.00
Contributions Tax	
Income Tax	
No TFN Excess Contributions Tax	
Excess Contributions Tax	
Refund Excess Contributions	
Division 293 Tax	
Insurance Policy Premiums Paid	
Management Fees	
Member Expenses	
Benefits Paid/Transfers Out	
Superannuation Surcharge Tax	
Internal Transfer Out	
Closing balance at 30/06/2018	<b>7,089.04</b>

---

Investment reports for the year ended 30<sup>th</sup> June 2018

Fund Name: TC Sullivan Superannuation Fund

---

Prepared for: TC Sullivan Super Pty Ltd

TC Sullivan Superannuation Fund

# Investment Summary with Market Movement

As at 30 June 2018

Investment	Units	Market Price	Market Value	Average Cost	Accounting Cost	Unrealised		Realised Movement
						Overall	Current Year	
<b>Cash/Bank Accounts</b>								
CBA Direct Investment Acc #9964		7,987.470000	7,987.47	7,987.47	7,987.47			
			<b>7,987.47</b>		<b>7,987.47</b>			
<b>Mortgage Loans (Australian)</b>								
ASCEN1 Ascent Invest 1	1.00	440,000.000000	440,000.00	430,000.00	430,000.00	10,000.00	10,000.00	0.00
			<b>440,000.00</b>		<b>430,000.00</b>	<b>10,000.00</b>	<b>10,000.00</b>	<b>0.00</b>
			<b>447,987.47</b>		<b>437,987.47</b>	<b>10,000.00</b>	<b>10,000.00</b>	<b>0.00</b>

TC Sullivan Superannuation Fund  
**Investment Movement Report**

As at 30 June 2018

Investment	Opening Balance		Additions		Disposals			Closing Balance		Market Value
	Units	Cost	Units	Cost	Units	Cost	Accounting Profit/(Loss)	Units	Cost	
<b>Macquarie account 8594</b>										
CBA Direct Investment Acc #9964		359.99		100,920.71		(93,293.23)			7,987.47	7,987.47
		<b>359.99</b>		<b>100,920.71</b>		<b>(93,293.23)</b>			<b>7,987.47</b>	<b>7,987.47</b>
<b>Mortgage Loans (Australian)</b>										
Ascent Invest 1	1.00	430,000.00						1.00	430,000.00	440,000.00
Ascent Invest 2	1.00	20,000.00			(1.00)	(20,000.00)	0.00		0.00	
		<b>450,000.00</b>				<b>(20,000.00)</b>	<b>0.00</b>		<b>430,000.00</b>	<b>440,000.00</b>
		<b>450,359.99</b>		<b>100,920.71</b>		<b>(113,293.23)</b>	<b>0.00</b>		<b>437,987.47</b>	<b>447,987.47</b>

**TC Sullivan Superannuation Fund**  
**Realised Capital Gains Report**

For the period: 1 July 2017 to 30 June 2018

Investment	Accounting Treatment					Tax Treatment						
	Date	Units	Cost	Proceeds	Accounting Profit/(Loss)	Adjusted Cost Base	Reduced Cost Base	Indexed Cost Base	Indexed Gains	Discounted Gains (Gross)	Other Gains	Capital Loss
<b>Mortgage Loans (Australian)</b>												
Ascent Invest 2												
	29/05/2018	1.00	20,000.00	20,000.00	0.00	20,000.00	20,000.00	0.00	0.00	0.00	0.00	0.00
		1.00	20,000.00	20,000.00	0.00	20,000.00	20,000.00	0.00	0.00	0.00	0.00	0.00
		1.00	20,000.00	20,000.00	0.00	20,000.00	20,000.00	0.00	0.00	0.00	0.00	0.00
		1.00	20,000.00	20,000.00	0.00	20,000.00	20,000.00	0.00	0.00	0.00	0.00	0.00

TC Sullivan Superannuation Fund

# Unrealised Capital Gains Report

As at 30 June 2018

Investment	Units	Cost	Tax Deferred /Depreciation	CGT Cost Base	Market Value	Projected Profit /Loss	Taxable Profit Indexation	Taxable Profit Discounted	Taxable Profit Notional
<b>Mortgage Loans (Australian)</b>									
Ascent Invest 1	1.00	430,000.00	0.00	430,000.00	440,000.0000	10,000.00	0.00	6,666.67	0.00
		<b>430,000.00</b>	<b>0.00</b>	<b>430,000.00</b>	<b>440,000.0000</b>	<b>10,000.00</b>	<b>0.00</b>	<b>6,666.67</b>	<b>0.00</b>
		<b>430,000.00</b>	<b>0.00</b>	<b>430,000.00</b>	<b>440,000.0000</b>	<b>10,000.00</b>	<b>0.00</b>	<b>6,666.67</b>	<b>0.00</b>

---

For the year ended 30<sup>th</sup> June 2018

Trustee resolution

Trustee representation letter

---

Prepared for: TC Sullivan Super Pty Ltd



# Memorandum of Resolutions of the Director(s) of

TC Sullivan Super Pty Ltd ACN: 615715065

ATF TC Sullivan Superannuation Fund

---

## 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 the 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.

## INSURANCE COVER:

The trustee(s) reviewed the current life and total and permanent disability insurance coverage on offer to the members and resolved that the current insurance arrangements were appropriate for the fund.

## 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).

## INVESTMENT ACQUISITIONS:

It was resolved to ratify the investment acquisitions throughout the financial year ended 30 June 2018.

## INVESTMENT DISPOSALS:

It was resolved to ratify the investment disposals throughout the financial year ended 30 June 2018.

## AUDITORS:

It was resolved that

Michael Bellesini

of

PO Box 316, MORLEY, Western Australia 6943

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

## TAX AGENTS:

It was resolved that

Alex Mora

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

# Memorandum of Resolutions of the Director(s) of

TC Sullivan Super Pty Ltd ACN: 615715065

ATF TC Sullivan Superannuation Fund

---

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 rollover made to the Fund, meets the requirements of the Fund's deed and does not breach the superannuation laws in relation to:

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

The trustee has reviewed the rollover and received advice that the rollover 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 rollover on behalf of the member.

## PAYMENT OF BENEFITS:

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

1. making payments to members; and,
2. breaching the Fund or the member investment strategy.

The trustee has reviewed the payment of the benefit and received advice that the transfer is in accordance with the Deed and the superannuation laws. As such the trustee has resolved to allow the payment of the benefits on behalf of the member.

## CLOSURE:

Signed as a true record –

.....  
Timothy Sullivan

The Trustees  
TC Sullivan Superannuation Fund  
4B Rowlands Street, KEWDALE, Western Australia, 6105

Wealth Safe Accounting  
PO Box 1095  
BENTLY, DC WA 6983

Dear Sirs,

Pursuant to your request and in connection with your audit of TC Sullivan Superannuation Fund for the year ended 30/06/2018 we submit the following representations, after making appropriate inquiries and according to the best of our knowledge and belief:

**General**

1. We acknowledge our responsibility for the fair presentation of the financial statements and the appropriate disclosures of all information required by statute.
2. All financial records and related data have been made available for inspection. All material transactions have been properly recorded in the accounting records underlying the financial statements.
3. There have been no irregularities involving any member of management or other employees that could have a material effect on the financial statements of the fund.
4. There have been no:
  - . contravention or possible contravention of the SIS Act or Regulations in relation to the fund; or
  - . indications that the financial position of the fund may be, or may be about to become unsatisfactory; or
  - . communications from the ATO concerning non-compliance with, or deficiencies in, management and reporting practices.

**Assets**

5. There were no deficiencies or encumbrances attaching to the title of the fund's assets at balance date other than those reflected in the financial statements.
6. There are no agreements to repurchase assets previously recorded in the accounting records as sold.
7. Adequate provision has been made in the financial statements for any permanent diminution in the value to the fund of any non-current assets.

**Liabilities**

8. All liabilities which have arisen or which will arise out of the activities of the fund to the end of the financial year have been included in the financial statements.
9. There were no contingent liabilities, including guarantees, at balance date which are not disclosed in the financial statements or the notes thereto.

**Other**

10. No events have occurred subsequent to balance date which would require adjustment to or disclosure in the financial statements.
11. Other than as detailed in the fund's financial statements, the fund is not aware of any breach or non-compliance with the terms of any contractual arrangements, however caused which could initiate claims on the fund which would have effect on the fund's financial statements.
12. The fund has an established procedure whereby the adequacy of insurance cover on all assets and insurable risks is reviewed on a timely basis. This review has been performed, and where it is considered appropriate, assets and insurable risks of the fund are adequately covered by insurance.
13. The minutes of trustee meetings made available to you are a complete and authentic record of all meetings to the date of this letter. All statutory records were properly kept during the period.
14. Records maintained during the period were in accordance with the Australian Taxation Office requirements.
15. We have responded fully to all inquiries made to us during the course of your examination.
16. Nothing has come to our attention that would indicate that the financial statements are inaccurate, incomplete or otherwise misleading.

.....  
Trustee Name:

---

For the year ended 30<sup>th</sup> June 2018

Audit report

---

Prepared for: TC Sullivan Super Pty Ltd

To TC Sullivan Super Pty Ltd of «TC Sullivan Superannuation Fund.

### **The Objective and Scope of the Audit**

You have requested that we audit the «TC Sullivan Superannuation Fund:

1. financial report, which comprises the statement of financial position as at 2018 and the operating statement for the year then ended and the notes to the financial statements; and
2. compliance during the same period with the requirements of the Superannuation Industry (Supervision) Act 1993 (SISA) and SIS Regulations (SISR) specified in the approved form auditor's report as issued by the ATO, which are sections 17A, 35A, 35B, 35C(2), 52(2)(d), 52(2)(e), 62, 65, 66, 67, 69-71E, 73-75, 80-85, 103, 104A, 109 and 121146 of the SISA and regulations 4.09, 5.08, 6.17, 7.04, 13.12, 13.13, and 13.14 of the SISR.

We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter. Our audit will be conducted pursuant to the SISA with the objective of our expressing an opinion on the financial report and the fund's compliance with the specified requirements of the SISA and SISR.

### **The Responsibilities of the Auditor**

We will conduct our financial audit in accordance with Australian Auditing Standards and our compliance audit in accordance with applicable Standards on Assurance Engagements, issued by the Auditing and Assurance Standards Board (AUASB). These standards require that we comply with relevant ethical requirements relating to audit and assurance engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement and that you have complied, in all material respects, with the specified requirements of the SISA and SISR.

The annual audit of the financial reports and records of the Fund must be carried out during and after the end of each year of income. In accordance with section 35 of the SISA, we are required to provide to the trustees of the Fund an auditor's report in the approved form within the prescribed time as set out in the SISR, being a day before the latest date stipulated by the ATO for lodgement of the fund's Annual Return.

### **Financial Audit**

A financial 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. A financial audit also includes evaluating the appropriateness of the financial reporting framework, accounting policies used and the reasonableness of accounting estimates made by the trustees, as well as evaluating the overall presentation of the financial report. Due to the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, there is an unavoidable risk that even some material misstatements may remain undiscovered.

In making our risk assessments, we consider controls relevant to the fund'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 fund's controls. However, we expect to provide you with a separate letter concerning any material weaknesses in the fund's system of accounting and internal controls that come to our attention during the audit of the financial report. This will be in the form of a trustee letter.

## **Compliance Audit**

A compliance audit involves performing audit procedures to obtain audit evidence about the fund's compliance with the provisions of the SISA and SISR specified in the ATO's approved form auditor's report.

Our compliance audit with respect to investments includes determining whether the investments are made for the sole purpose of funding members' retirement, death or disability benefits and whether you have an investment strategy for the fund, which gives due consideration to risk, return, liquidity and diversification. Our procedures will include testing whether the investments are made for the allowable purposes in accordance with the investment strategy, but not for the purpose of assessing the appropriateness of those investments to the members.

## **The Responsibilities of the Trustees**

We take this opportunity to remind you that it is the responsibility of the trustees to ensure that the fund, at all times, complies with the SISA and SISR as well as any other legislation relevant to the fund. The trustees are also responsible for the preparation and fair presentation of the financial report.

Our auditor's report will explain that the trustees are responsible for the preparation and the fair presentation of the financial report and for determining that the accounting policies used are consistent with the financial reporting requirements of the SMSF's governing rules, comply with the requirements of SISA and SISR and are appropriate to meet the needs of the members. This responsibility includes:

- Establishing and maintaining controls relevant to the preparation of a financial report that is free from misstatement, whether due to fraud or error.
- Selecting and applying appropriate accounting policies.
- Making accounting estimates that are reasonable in the circumstances.

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

Our audit report is prepared for the members of the Fund and we disclaim any assumption of responsibility for any reliance on our report or on the financial report to which it relates, to any person other than the members of the fund, or for any purpose other than that for which it was prepared.

## **Independence**

We confirm that, to the best of our knowledge and belief, the engagement team meets the current independence requirements of the Accounting Professional and Ethical Standards Board in relation to the audit of the fund. In conducting our financial and compliance audit, should we become aware that we have contravened the independence requirements, we shall notify you on a timely basis.

## **Report on Matters Identified**

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 SISA or SISR which we believe has occurred is occurring or may occur. Furthermore, you should be aware that we are also required to notify the Australian Taxation Office (ATO) of certain contraventions of the SISA and SISR that we become aware of during the audit, which meet the tests stipulated by the ATO, irrespective of the materiality of the contravention or action taken by the trustees to rectify the matter. Finally, under section 130 we are required to report to you and the ATO if we believe the financial position of the Fund may be, or may be about to become unsatisfactory.

You should not assume that any matters reported to you, or that a report that there are no matters to be communicated, indicates that there are no additional matters, or matters that you should be aware of in meeting your responsibilities.

### **Compliance Program**

The conduct of our audit in accordance with Australian Auditing Standards and applicable Standards on Assurance Engagements 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 express consent. Our audit files may, however, be subject to review as part of the compliance program of a professional accounting body or the ATO. 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 these programs. Should this occur, we will advise you. The same strict confidentiality requirements apply under these programs as apply to us as your auditor.

### **Limitation of liability**

As a practitioner/firm participating in a scheme approved under Professional Services Legislation, our liability may be limited under the scheme.

### **Fees**

My fee is based on the time required to perform the engagement plus direct out of pocket expenses. The hourly rate will be billed at \$250.00 plus GST. My account will be provided to the instructing accountant for payment on completion of the audit.

We look forward to full co-operation with you and we trust that you will make available to us whatever records, documentation and other information are requested in connection with our audit.

### **Other**

This letter will be effective for future years unless we advise you of its amendment or replacement, or the engagement is terminated.



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 financial and compliance audit of the «TC Sullivan Superannuation Fund.

Yours faithfully,

*M. Bellesini*

---

Michael Bellesini CPA

Date: 2018

Acknowledged on behalf of the trustees of «TC Sullivan Superannuation Fund by:

.....

11 September 2018

Timothy Sullivan

**TC Sullivan Superannuation Fund**  
**Self-Managed Superannuation Fund**

# Independent Auditor's Report

---

## Approved SMSF auditor details

Name	Michael Bellesini
Business name	MM Accounting Solutions
Business Postal address	PO Box 316, MORLEY, Western Australia, 6943
SMSF auditor number (SAN)	100030117

## Self-managed superannuation fund details

Self-managed superannuation fund (SMSF) name	TC Sullivan Superannuation Fund
Australian business number (ABN) or tax file number (TFN)	54428588763
Address	4B Rowlands Street, KEWDALE, Western Australia, 6105
Year of income being audited	2018

## To the SMSF trustees

of the TC Sullivan Superannuation Fund

**TC Sullivan Superannuation Fund**  
**Self-Managed Superannuation Fund**

# **Independent Auditor's Report**

---

## **PART A - FINANCIAL REPORT**

### **Approved SMSF Auditor's Opinion**

I have audited the special purpose financial report comprising 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 of the TC Sullivan Superannuation Fund for the year ended 30 June 2018.

In my opinion, the financial report presents fairly, in all material respects, in accordance with the accounting policies described in the notes to the financial statements, the financial position of the fund at 30 June 2018 and the results of its operations for the year then ended.

### **Basis of Opinion**

My audit has been conducted in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Approved SMSF Auditor's Responsibilities for the Audit of the Financial Report section of this report. I am independent of the self-managed superannuation fund in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) as required by the Superannuation Industry (Supervision) Regulations 1994 (SISR). I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Emphasis of Matter - Basis of accounting**

Without modifying my opinion, I draw attention to note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared to assist TC Sullivan Superannuation Fund meet the requirements of the SMSF's governing rules, the *Superannuation Industry (Supervision) Act 1993* (SISA) and the SISR. As a result, the financial report may not be suitable for another purpose.

### **Responsibilities of SMSF trustees for the financial report**

Each SMSF trustee (or director of corporate trustee) is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the SMSF's governing rules, the Superannuation Industry (Supervision) Act 1993 (SISA) and the Superannuation Industry (Supervision) Regulations 1994 (SISR). Each trustee is also responsible for such internal controls as they determine are necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the trustees are responsible for assessing the fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the trustees intend to wind-up the fund. The going concern basis of accounting is appropriate when it is reasonably foreseeable that the fund will be able to meet its liabilities as they fall due.

The trustees are responsible for overseeing the fund's financial reporting process.

## **Independent Auditor's Report**

---

### **Approved SMSF auditor's responsibilities for the audit of the financial report**

My responsibility is to express an opinion on the financial report based on my audit. I have conducted an independent audit of the financial report in order to express an opinion on it to the trustees.

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of trustees taken on the basis of this financial report.

I have complied with the competency standards set by Australian Securities & Investments Commission (ASIC). My audit has been conducted in accordance with Australian Auditing Standards. These standards require that I 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.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit 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 fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

# **Independent Auditor's Report**

---

## **PART B - COMPLIANCE REPORT**

### **Approved SMSF Auditor's Opinion**

I have performed a reasonable assurance engagement on the TC Sullivan Superannuation Fund to provide an opinion in relation to its compliance, in all material respects, with the applicable provisions of the SISA and the SISR as listed below in the Approved SMSF auditor's Responsibility section of this report.

In my opinion, each trustee of TC Sullivan Superannuation Fund has complied, in all material respects, with the applicable provisions of the SISA and the SISR specified below, for the year ended 30 June 2018.

### **Basis for Opinion**

I have conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3100 Compliance Engagements issued by the Auditing and Assurance Standards Board.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Independence and quality control**

I have complied with the independence requirements in accordance with the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) as required by the SISR.

I apply Australian Standard on Quality Control 1 ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

I have complied with the competency standards set by ASIC.

### **SMSF trustee's responsibility for compliance**

Each SMSF trustee is responsible for complying with the requirements of the SISA and the SISR and for identifying, designing and implementing internal controls as they determine necessary to meet compliance requirements and monitor ongoing compliance.

### **Approved SMSF auditor's responsibility for the compliance report**

My responsibility is to express an opinion on the trustees' compliance with the applicable requirements of the SISA and the SISR, based on the compliance engagement. My procedures included testing that the fund has an investment strategy that complies with the SISA and that the trustees make investments in line with that strategy, however, no opinion is made on its appropriateness to the fund members.

My reasonable assurance engagement has been conducted in accordance with applicable Standards on Assurance Engagements issued by the Auditing and Assurance Standards Board, to provide reasonable assurance that the trustees of the fund have complied, in all material respects, with the relevant requirements of the following provisions (to the extent applicable) of the SISA and the SISR.

Sections: 17A, 35AE, 35B, 35C(2), 62, 65, 66, 67, 67A, 67B, 82-85, 103, 104, 104A, 105, 109, 126K

**TC Sullivan Superannuation Fund**  
**Self-Managed Superannuation Fund**

# **Independent Auditor's Report**

---

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

An assurance engagement to report on the fund's compliance with the applicable requirements of the SISA and the SISR involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the compliance requirements. The procedures selected depend on my judgement, including the identification and assessment of risks of material non-compliance.

My procedures included examination, on a test basis, of evidence supporting compliance with those requirements of the SISA and the SISR for the year ended 30 June 2018.

These tests have not been performed continuously throughout the period, were not designed to detect all instances of non-compliance, and have not covered any other provisions of the SISA and the SISR apart from those specified.

**Inherent limitations**

Due to the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non-compliance with the listed provisions may occur and not be detected. A reasonable assurance engagement does not provide assurance on whether compliance with the listed provisions will continue in the future.

Signature of approved SMSF auditor:

.....

Michael Bellesini

Date:

**TC Sullivan Superannuation Fund**  
**Self-Managed Superannuation Fund**

## **Independent Auditor's Report**

---

### **Appendix 1 – Explanation of listed sections and regulations in compliance report**

This appendix is included to assist with the meaning of the legislation and regulations listed above.

<b>Section or Regulation</b>	<b>Explanation</b>
S17A	The fund must meet the definition of an SMSF
S35AE	The trustees must keep and maintain accounting records for a minimum of five years
S35B	The trustees must prepare, sign and retain accounts and statements
S35C(2)	The trustees must provide the auditor with the necessary documents to complete the audit in a timely and professional manner; and within 14 days of a written request from the auditor
S62	The fund must be maintained for the sole purpose of providing benefits to any or all of the following: <ul style="list-style-type: none"> <li>• fund members upon their retirement</li> <li>• fund members upon reaching a prescribed age</li> <li>• the dependants of a fund member in the case of the member's death before retirement</li> </ul>
S65	The trustees must not loan monies or provide financial assistance to any member or relative at any time during the financial year
S66	The trustees must not acquire any assets (not listed as an exception) from any member or related party of the fund
S67	The trustees of the fund must not borrow any money or maintain an existing borrowing (not listed as an exception)
S67A & 67B	The fund must comply with the limited recourse borrowing arrangement rules when borrowing to purchase single acquirable asset or replacement assets (not listed as an exception to the borrowing rules)
S82-85	The trustees must comply with the in-house asset rules
S103	The trustees must keep minutes of all meetings and retain the minutes for a minimum of 10 years
S104	The trustees must keep up to date records of all trustee or director of corporate trustee changes and trustee consents for a minimum of 10 years
S104A	Trustees who became a trustee on or after 1 July 2007 must sign and retain a trustee declaration

**TC Sullivan Superannuation Fund**  
**Self-Managed Superannuation Fund**

## **Independent Auditor's Report**

---

S105	The trustees must ensure that copies of all member or beneficiary reports are kept for a minimum of 10 years
S109	All investment transactions must be made and maintained at arms-length – that is, purchase, sale price and income from an asset reflects a true market value/rate of return
S126K	A disqualified person cannot be a trustee, investment manager or custodian of a superannuation fund
Sub Reg 1.06 (9A)	Pension payments must be made at least annually, and must be at least the amount calculated under Schedule 7
Reg 4.09	Trustees must formulate, regularly review and give effect to an investment strategy for the fund
Reg 4.09A	The assets of the SMSF must be held separately from any assets held by the trustee personally or by a standard employer sponsor or an associate of the standard employer sponsor
Reg 5.03	Investment returns must be allocated to members in a manner that is fair and reasonable
Reg 5.08	Member minimum benefits must be maintained in the fund until transferred, rolled over, allotted (to the member's spouse) or cashed out in a permitted fashion
Reg 6.17	Payments of member benefits must be made in accordance with Part 6 or Part 7A of the regulations and be permitted by the trust deed
Reg 7.04	Contributions can only be accepted in accordance with the applicable rules for the year being audited
Reg 8.02B	When preparing accounts and statements required by subsection 35B(1) of SISA, an asset must be valued at its market value
Reg 13.12	Trustees must not recognise an assignment of a super interest of a member or beneficiary
Reg 13.13	Trustees must not recognise a charge over or in relation to a member's benefits
Reg 13.14	Trustees must not give a charge over, or in relation to, an asset of the fund
Reg 13.18AA	Investments in collectables and personal use assets must be maintained in accordance with prescribed rules