



---

Financial statements and reports for the year ended  
30 June 2017

Davis Superannuation Fund

---

Prepared for: Laban William Davis and Jennifer Anne Davis

**Davis Superannuation Fund**  
**Operating Statement**

For the year ended 30 June 2017



	Note	2017 \$	2016 \$
<b>Income</b>			
<b>Investment Income</b>			
Trust Distributions	7	7,726	2,914
Dividends Received	6	101	0
Interest Received		64	242
<b>Investment Gains</b>			
Changes in Market Values	8	1,370	2,193
<b>Contribution Income</b>			
Personal Non Concessional		119,202	0
<b>Total Income</b>		<u>128,463</u>	<u>5,349</u>
<b>Expenses</b>			
Accountancy Fees		1,045	1,375
ATO Supervisory Levy		259	647
Auditor's Remuneration		484	495
Bank Charges		2	31
Investment Expenses		4,001	0
<b>Total Expenses</b>		<u>5,791</u>	<u>2,548</u>
<b>Benefits accrued as a result of operations before income tax</b>		<u>122,672</u>	<u>2,801</u>
Income Tax Expense		0	0
<b>Benefits accrued as a result of operations</b>		<u>122,672</u>	<u>2,801</u>

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

*Refer to compilation report*

Davis Superannuation Fund  
**Statement of Financial Position**

As at 30 June 2017



	Note	2017 \$	2016 \$
<b>Assets</b>			
<b>Investments</b>			
Loans to Associated Entities (In house loans) - Unitised	2	0	3,860
Managed Investments (Australian)	3	15,882	0
Shares in Listed Companies (Australian)	4	126,331	118,022
Shares in Unlisted Private Companies (Overseas)	5	102,522	0
<b>Total Investments</b>		<u>244,735</u>	<u>121,882</u>
<b>Other Assets</b>			
BOQ - WebSavings Account		589	770
Distributions Receivable		0	0
<b>Total Other Assets</b>		<u>589</u>	<u>770</u>
<b>Total Assets</b>		<u>245,324</u>	<u>122,652</u>
<b>Net assets available to pay benefits</b>		<u>245,324</u>	<u>122,652</u>
Represented by:			
<b>Liability for accrued benefits allocated to members' accounts</b>			
Davis, Jennifer Anne - Accumulation		245,324	122,652
<b>Total Liability for accrued benefits allocated to members' accounts</b>		<u>245,324</u>	<u>122,652</u>

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

*Refer to compilation report*

## Davis Superannuation Fund

# Notes to the Financial Statements

For the year ended 30 June 2017

---

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

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

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

The financial statements were authorised for issue by the Trustee(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 the date on which control of the future economic benefits attributable to the asset passes to the fund; and
- (ii) a financial liability on the date it becomes a party to the contractual provisions of the instrument.

Investments of the fund have been measured at their market values, which is the amount that a willing buyer of the asset could reasonably be expected to pay to acquire the asset from a willing seller if the following assumptions were made:

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

Market values have been determined as follows:

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

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

#### b. Cash and Cash Equivalents

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

#### c. Revenue

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

##### Interest revenue

Interest revenue is recognised in respect of fixed-interest securities, and cash and cash equivalent balances. Interest revenue is recognised upon receipt.

## Davis Superannuation Fund

# Notes to the Financial Statements

For the year ended 30 June 2017

### Dividend revenue

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

### Rental revenue

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

### Distribution revenue

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

### Remeasurement changes in market values

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

### d. Liability for Accrued Benefits

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

### e. 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: Loans to Associated Entities (In house loans) - Unitised

	2017 \$	2016 \$
Loan to Inverloch Park Holdings Pty Ltd	0	3,860
	0	3,860

### Note 3: Managed Investments (Australian)

	2017 \$	2016 \$
SAXO Capital Markets	15,882	0
	15,882	0

### Note 4: Shares in Listed Companies (Australian)

2017 \$	2016 \$
------------	------------

## Davis Superannuation Fund

# Notes to the Financial Statements

For the year ended 30 June 2017

Plantation Capital Ltd	126,331	118,022
	126,331	118,022

### Note 5: Shares in Unlisted Private Companies (Overseas)

	2017 \$	2016 \$
Muso SP	43,435	0
Speak SP	42,737	0
Strada SP	16,349	0
	102,521	0

### Note 6: Dividends

	2017 \$	2016 \$
SAXO Capital Markets	101	0
	101	0

### Note 7: Trust Distributions

	2017 \$	2016 \$
Plantation Capital Ltd	7,726	2,914
	7,726	2,914

### Note 8: Unrealised Movements in Market Value

	2017 \$	2016 \$
<b>Managed Investments (Australian)</b>		
SAXO Capital Markets	787	0
	787	0
<b>Shares in Listed Companies (Australian)</b>		
Plantation Capital Ltd	583	2,193
	583	2,193

**Davis Superannuation Fund**

**Notes to the Financial Statements**

For the year ended 30 June 2017

---

<b>Total Unrealised Movement</b>	1,370	2,193
	<hr/>	<hr/>
<b>Realised Movements in Market Value</b>		
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Total Realised Movement</b>	0	0
	<hr/>	<hr/>
<b>Total Market Movement</b>	1,370	2,193
	<hr/>	<hr/>

## Davis Superannuation Fund

# Trustees Declaration

---

The trustees have determined that the fund is not a reporting entity and that the special purpose financial statements should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

In the opinion of the trustees:

- (i) the financial statements and notes to the financial statements for the year ended 30 June 2017 present fairly, in all material respects, the financial position of the superannuation fund at 30 June 2017 and the results of its operations for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements;
- (ii) the financial statements and notes to the financial statements have been prepared in accordance with the requirements of the trust deed; and
- (iii) the operation of the superannuation fund has been carried out in accordance with its trust deed and in compliance with the requirements of the Superannuation Industry (Supervision) Act 1993 and associated Regulations during the year ended 30 June 2017.

Signed in accordance with a resolution of the trustees by:

.....  
Laban William Davis

Trustee

.....  
Jennifer Anne Davis

Trustee

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





---

Member's Statements for the year ended 30<sup>th</sup> June  
2017

Fund Name: Davis Superannuation Fund

---

Prepared for: Laban William Davis and Jennifer Anne Davis

# Members Statement

Laban William Davis  
 1350 Dayboro Road  
 DAYBORO, Queensland, 4521, Australia

## Your Details

Date of Birth : 29/11/1952  
 Age: 64  
 Tax File Number: Provided  
 Date Joined Fund: 01/07/2012  
 Service Period Start Date:  
 Date Left Fund:  
 Member Code: DAVLAB00002A  
 Account Start Date 01/07/2012  
 Account Type: Accumulation  
 Account Description: Accumulation

Nominated Beneficiaries N/A  
 Vested Benefits  
 Total Death Benefit

## Your Balance

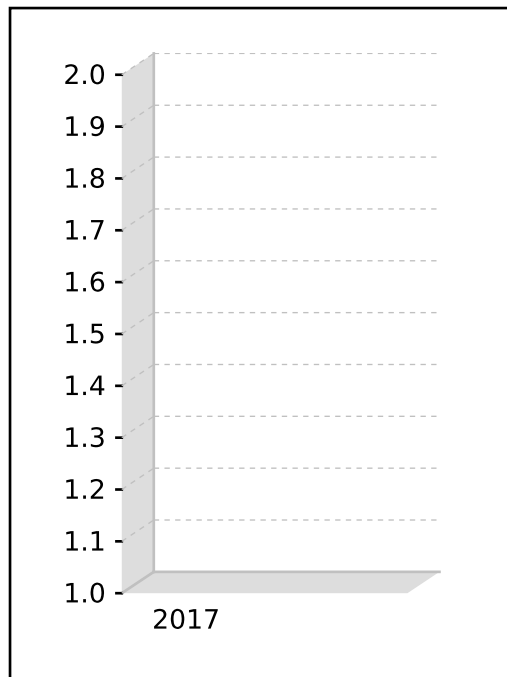
### Total Benefits

#### Preservation Components

Preserved  
 Unrestricted Non Preserved  
 Restricted Non Preserved

#### Tax Components

Tax Free  
 Taxable  
 Investment Earnings Rate 0%



## Your Detailed Account Summary

This Year

Opening balance at 01/07/2016

Increases to Member account during the period

Employer Contributions  
 Personal Contributions (Concessional)  
 Personal Contributions (Non Concessional)  
 Government Co-Contributions  
 Other Contributions  
 Proceeds of Insurance Policies  
 Transfers In  
 Net Earnings  
 Internal Transfer In

Decreases to Member account during the period

Pensions Paid  
 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 30/06/2017 0

# Members Statement

Jennifer Anne Davis  
 1350 Dayboro Road  
 DAYBORO, Queensland, 4521, Australia

## Your Details

Date of Birth : 08/11/1954  
 Age: 62  
 Tax File Number: Provided  
 Date Joined Fund: 01/07/2012  
 Service Period Start Date:  
 Date Left Fund:  
 Member Code: DAVJEN00001A  
 Account Start Date 01/07/2012  
 Account Type: Accumulation  
 Account Description: Accumulation

Nominated Beneficiaries N/A  
 Vested Benefits 245,324  
 Total Death Benefit 245,324

## Your Balance

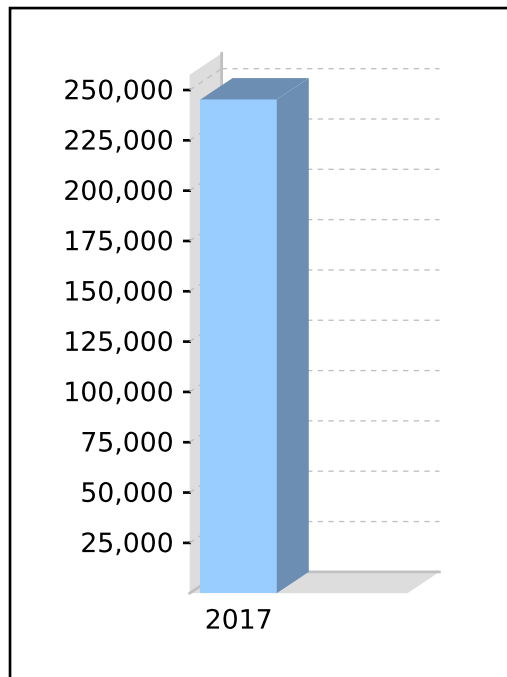
Total Benefits 245,324

Preservation Components

Preserved 245,324  
 Unrestricted Non Preserved  
 Restricted Non Preserved

Tax Components

Tax Free 126,755  
 Taxable 118,568  
 Investment Earnings Rate 2%



## Your Detailed Account Summary

	This Year
Opening balance at 01/07/2016	122,652
<u>Increases to Member account during the period</u>	
Employer Contributions	
Personal Contributions (Concessional)	
Personal Contributions (Non Concessional)	119,202
Government Co-Contributions	
Other Contributions	
Proceeds of Insurance Policies	
Transfers In	
Net Earnings	3,470
Internal Transfer In	
<u>Decreases to Member account during the period</u>	
Pensions Paid	
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 30/06/2017	245,324



---

Investment reports for the year ended 30<sup>th</sup> June 2017

Fund Name: Davis Superannuation Fund

---

Prepared for: Laban William Davis and Jennifer Anne Davis

Davis Superannuation Fund  
**Investment Summary with Market Movement**



As at 30 June 2017

Investment	Units	Market Price	Market Value	Average Cost	Accounting Cost	Overall	Unrealised Current Year	Realised Movement
<b>Cash/Bank Accounts</b>								
BOQ - WebSavings Account		589.150000	589.15	589.15	589.15			
			<b>589.15</b>		<b>589.15</b>			
<b>Managed Investments (Australian)</b>								
SAXO040 SAXO Capital Markets	1.00	15,882.190000	15,882.19	15,095.08	15,095.08	787.11	787.11	0.00
			<b>15,882.19</b>		<b>15,095.08</b>	<b>787.11</b>	<b>787.11</b>	<b>0.00</b>
<b>Shares in Listed Companies (Australian)</b>								
PLAUSA Plantation Capital Ltd	90,172.00	1.401000	126,330.97	1.13	101,451.99	24,878.98	583.05	0.00
			<b>126,330.97</b>		<b>101,451.99</b>	<b>24,878.98</b>	<b>583.05</b>	<b>0.00</b>
<b>Shares in Unlisted Private Companies (Overseas)</b>								
MUSO Muso SP	5,187.00	8.373871	43,435.27	8.37	43,435.27	0.00	0.00	0.00
SPEAK Speak SP	9,579.00	4.461539	42,737.08	4.46	42,737.08	0.00	0.00	0.00
STRADA Strada SP	2,601.00	6.285763	16,349.27	6.29	16,349.27	0.00	0.00	0.00
			<b>102,521.62</b>		<b>102,521.62</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
			<b>245,323.93</b>		<b>219,657.84</b>	<b>25,666.09</b>	<b>1,370.16</b>	<b>0.00</b>



Davis Superannuation Fund  
**Investment Movement Report**

As at 30 June 2017

Investment	Opening Balance		Additions		Disposals			Closing Balance		Market Value
	Units	Cost	Units	Cost	Units	Cost	Accounting Profit/(Loss)	Units	Cost	
			2,601.00	16,349.27				2,601.00	16,349.27	16,349.27
				<b>102,521.62</b>					<b>102,521.62</b>	<b>102,521.62</b>
	<b>98,355.76</b>			<b>248,526.50</b>		<b>(127,224.42)</b>	<b>0.00</b>		<b>219,657.84</b>	<b>245,323.93</b>

Davis Superannuation Fund  
**Realised Capital Gains Report**



For the period: 1 July 2016 to 30 June 2017

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>Loans to Associated Entities (In house loans) - Unitised</b>												
Loan to Inverloch Park Holdings Pty Ltd												
	11/10/2016	58.25	58.25	58.25	0.00	58.25	58.25	0.00	0.00	0.00	0.00	0.00
	11/10/2016	199.50	199.50	199.50	0.00	199.50	199.50	0.00	0.00	0.00	0.00	0.00
	11/10/2016	487.28	487.28	487.28	0.00	487.28	487.28	0.00	0.00	0.00	0.00	0.00
	11/10/2016	3,173.26	3,173.26	3,173.26	0.00	3,173.26	3,173.26	0.00	0.00	0.00	0.00	0.00
		<b>3,918.29</b>	<b>3,918.29</b>	<b>3,918.29</b>	<b>0.00</b>	<b>3,918.29</b>	<b>3,918.29</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
		<b>3,918.29</b>	<b>3,918.29</b>	<b>3,918.29</b>	<b>0.00</b>	<b>3,918.29</b>	<b>3,918.29</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
		<b>3,918.29</b>	<b>3,918.29</b>	<b>3,918.29</b>	<b>0.00</b>	<b>3,918.29</b>	<b>3,918.29</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>



Davis Superannuation Fund  
**Unrealised Capital Gains Report**



As at 30 June 2017

Investment	Units	Cost	Tax Deferred /Depreciation	CGT Cost Base	Market Value	Projected Profit / (Loss)	Taxable Profit Indexation	Taxable Profit Discounted
<b>Cash/Bank Accounts</b>								
BOQ - WebSavings Account		589.15	0.00	0.00	589.1500	0.00	0.00	0.00
		<b>589.15</b>	<b>0.00</b>	<b>0.00</b>	<b>589.1500</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Managed Investments (Australian)</b>								
SAXO Capital Markets	1.00	15,095.08	0.00	15,095.08	15,882.1900	787.11	0.00	0.00
		<b>15,095.08</b>	<b>0.00</b>	<b>15,095.08</b>	<b>15,882.1900</b>	<b>787.11</b>	<b>0.00</b>	<b>0.00</b>
<b>Shares in Listed Companies (Australian)</b>								
Plantation Capital Ltd	90,172.00	101,451.99	20,285.59	81,166.40	126,330.9720	45,164.57	0.00	29,935.78
		<b>101,451.99</b>	<b>20,285.59</b>	<b>81,166.40</b>	<b>126,330.9720</b>	<b>45,164.57</b>	<b>0.00</b>	<b>29,935.78</b>
<b>Shares in Unlisted Private Companies (Overseas)</b>								
Muso SP	5,187.00	43,435.27	0.00	43,435.27	43,435.2689	(0.00)	0.00	0.00
Speak SP	9,579.00	42,737.08	0.00	42,737.08	42,737.0821	0.00	0.00	0.00
Strada SP	2,601.00	16,349.27	0.00	16,349.27	16,349.2696	(0.00)	0.00	0.00
		<b>102,521.62</b>	<b>0.00</b>	<b>102,521.62</b>	<b>102,521.6205</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
		<b>219,657.84</b>	<b>20,285.59</b>	<b>198,783.10</b>	<b>245,323.9325</b>	<b>45,951.68</b>	<b>0.00</b>	<b>29,935.78</b>



---

For the year ended 30<sup>th</sup> June 2017

Trustee resolution

Trustee representation letter

---

Prepared for: Laban William Davis and Jennifer Anne Davis

## Davis Superannuation Fund

# Minutes of a meeting of the Trustee(s)

held on 30 June 2017 at 1350 Dayboro Road, DAYBORO, Queensland 4521

---

<b>PRESENT:</b>	Laban William Davis and Jennifer Anne Davis
<b>APOLOGIES:</b>	
<b>MINUTES:</b>	The Chair reported that the minutes of the previous meeting had been signed as a true record.
<b>FINANCIAL STATEMENTS OF SUPERANNUATION FUND:</b>	<p>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.</p> <p>The Chair tabled the financial statements and notes to the financial statements of the superannuation fund in respect of the year ended 30 June 2017 and it was resolved that such statements be and are hereby adopted as tabled.</p>
<b>TRUSTEE'S DECLARATION:</b>	It was resolved that the trustee's declaration of the superannuation fund be signed.
<b>ANNUAL RETURN:</b>	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 2017, it was resolved that the annual return be approved, signed and lodged with the Australian Taxation Office.
<b>TRUST DEED:</b>	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.
<b>INVESTMENT STRATEGY:</b>	The allocation of the fund's assets and the fund's investment performance over this 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.
<b>INSURANCE COVER:</b>	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.
<b>ALLOCATION OF INCOME:</b>	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).
<b>INVESTMENT ACQUISITIONS:</b>	It was resolved to ratify the investment acquisitions throughout the financial year ended 30 June 2017.
<b>INVESTMENT DISPOSALS:</b>	It was resolved to ratify the investment disposals throughout the financial year ended 30 June 2017.
<b>AUDITORS</b>	<p>It was resolved that</p> <p>MM Accounting Solutions</p> <p>of</p> <p>PO Box 316, MORLEY, Western Australia 6943</p> <p>act as auditors of the Fund for the next financial year.</p>

# Minutes of a meeting of the Trustee(s)

held on 30 June 2017 at 1350 Dayboro Road, DAYBORO, Queensland 4521

---

**TAX AGENTS**

It was resolved that

Wealth Safe Accounting Pty Ltd

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

**TRUSTEE STATUS:**

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

**CONTRIBUTIONS RECEIVED:**

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

**ACCEPTANCE OF ROLLOVERS**

The trustee has ensured that any 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.

**CLOSURE:**

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

There being no further business the meeting then closed.

Signed as a true record –

.....

Laban William Davis

.....

Jennifer Anne Davis

Chairperson

24/04/2018

Michael Bellesini CPA  
PO Box 316  
MORLEY WA 6943

Dear Michael,

### **Trustee Representation Letter**

This representation letter is provided in connection with your audit of the financial report of the Davis Superannuation Fund (the Fund) and the Fund's compliance with the Superannuation Industry (Supervision) Act 1993 (SISA) and SIS Regulations (SISR), for the year ended 30/06/2017, for the purpose of you expressing an opinion as to whether the financial report is, in all material respects, presented fairly in accordance with the accounting policies adopted by the Fund and the Fund complied, in all material respects, with the relevant requirements of SISA and SISR.

The Trustees have determined that the Fund is not a reporting entity for the year ended 30/06/2017 and that the requirement to apply Australian Accounting Standards and other mandatory reporting requirements do not apply to the Fund. Accordingly, the financial report prepared is a special purpose financial report which is for distribution to members of the Fund and to satisfy the requirements of the SISA and SISR. We acknowledge our responsibility for ensuring that the financial report is in accordance with the accounting policies as selected by ourselves and requirements of the SISA and SISR, and confirm that the financial report is free of material misstatements, including omissions.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

1. Sole purpose test

The Fund is maintained for the sole purpose of providing benefits for each member on their retirement, death, termination of employment or ill-health.

2. Trustees are not disqualified

No disqualified person acts as a director of the trustee company or as an individual trustee.

3. Trust deed, trustees' responsibilities and fund conduct

The Fund meets the definition of a self-managed superannuation fund under SISA, including that no member is an employee of another member, unless they are relatives and no trustee receives any remuneration for any duties or services performed by the trustee in relation to the fund.

The Fund has been conducted in accordance with its constituent trust deed at all times during the year and there were no amendments to the trust deed during the year, except as notified to you.

The trustees have complied with all aspects of the trustee requirements of the SISA and SISR.

The trustees are not subject to any contract or obligation which would prevent or hinder the trustees in properly executing their functions and powers.

The Fund has been conducted in accordance with SISA, SISR and the governing rules of the Fund.

All contributions accepted and benefits paid have been in accordance with the governing rules of the Fund and relevant provisions of the SISA and SISR.

There have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.

#### 4. Investment strategy

The investment strategy has been determined with due regard to risk, return, liquidity and diversity, and the assets of the Fund are in line with this strategy.

#### 5. Accounting policies

All the significant accounting policies of the Fund are adequately described in the financial report and the notes attached thereto. These policies are consistent with the policies adopted last year.

#### 6. Fund books and records

We have made available to you all financial records and related data, other information, explanations and assistance necessary for the conduct of the audit; and minutes of all meetings of the trustees.

We acknowledge our responsibility for the design and implementation of internal control to prevent and detect error. We have established and maintained an adequate internal control structure to facilitate the preparation of reliable financial reports, and adequate financial records have been maintained. There are no material transactions that have not been properly recorded in the accounting records underlying the financial report.

All accounting records and financial reports have been kept for 5 years, minutes and records of trustees' meetings have been kept for 10 years and trustee declarations in the approved form have been signed and kept for each trustee appointed after 30 June 2007.

#### 7. Asset form and valuation

The assets of the Fund are being held in a form suitable for the benefit of the members of the Fund, and are in accordance with our investment strategy.

Investments are carried in the books at market value. Such amounts are considered reasonable in light of present circumstances.

We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities.

There are no commitments, fixed or contingent, for the purchase or sale of long term investments.

#### 8. Uncorrected misstatements

We believe the effects of those uncorrected financial report misstatements aggregated by the auditor during the audit are immaterial, both individually and in aggregate, to the financial report taken as a whole. A summary of such items is attached.

#### 9. Ownership and pledging of assets

The Fund has satisfactory title to all assets appearing in the statement of financial position/net assets. All investments are registered in the name of the Fund, where possible, and are in the custody of the respective manager/trustee.

There are no liens or encumbrances on any assets or benefits and no assets, benefits or interests in the Fund have been pledged or assigned to secure liabilities of others.

All assets of the Fund are held separately from the assets of the members, employers and the trustees. All assets are acquired, maintained and disposed of on an arm's length basis and appropriate action is taken to protect the assets of the Fund.

#### 10. Related parties

Related party transactions and related amounts receivable have been properly recorded or disclosed in the financial report.

Acquisitions from, loans to, leasing of assets to and investments in related parties have not exceeded the in-house asset restrictions in the SISA at the time of the investment, acquisition or at year end.

The Fund has not made any loans or provided financial assistance to members of the Fund or their relatives.

#### 11. Borrowings

The Fund has not borrowed money or maintained any borrowings during the period, with the exception of borrowings which were allowable under SISA.

#### 12. Subsequent events

No events or transactions have occurred since the date of the financial report, or are pending, which would have a significant adverse effect on the Fund's financial position at that date, or which are of such significance in relation to the Fund as to require mention in the notes to the financial statements in order to ensure they are not misleading as to the financial position of the Fund or its operations.

#### 13. Outstanding legal action

The trustees confirm that there is no outstanding legal action or claims against the Fund.

There have been no communications from the ATO concerning a contravention of SISA or SISR which has occurred, is occurring, or is about to occur.

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

Yours faithfully

.....  
Trustee / Director



---

For the year ended 30<sup>th</sup> June 2017

Audit engagement letter

Audit report

---

Prepared for: Laban William Davis and Jennifer Anne Davis



To Laban William Davis and Jennifer Anne Davis of Davis Superannuation Fund.

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

You have requested that we audit the Davis Superannuation Fund:

1. financial report, which comprises the statement of financial position as at 2017 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 «Davis Superannuation Fund.

Yours faithfully,

*M. Bellesini*

---

Michael Bellesini CPA

Date: 24 April 2018

Acknowledged on behalf of the trustees of Davis Superannuation Fund by:

.....

Laban William Davis

.....

Jennifer Anne Davis

**Davis 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	Davis Superannuation Fund
Australian business number (ABN) or tax file number (TFN)	57660597282
Address	1350 Dayboro Road, DAYBORO, Queensland, 4521
Year of income being audited	2017

## **To the SMSF trustees**

To the SMSF trustees of	Davis Superannuation Fund
-------------------------	---------------------------

**Davis Superannuation Fund**  
**Self-Managed Superannuation Fund**

# **Independent Auditor's Report**

---

## **PART A - FINANCIAL REPORT**

I have audited the special purpose financial report comprising the Statement of Financial Position as at 30 June 2017, the Operating Statement for the year then ended, a summary of significant accounting policies and other explanatory notes of the Davis Superannuation Fund for the year ended 30 June 2017.

### **SMSF trustee's responsibility 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.

### **Approved SMSF auditor's responsibility**

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 trustee. I have complied with the auditor independence requirements prescribed by the SISR and 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the trustee's preparation and fair presentation 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 of the effectiveness of the trustee's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustee, as well as evaluating the overall presentation of the financial report.

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

### **Approved SMSF auditor's opinion**

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 2017 and the results of its operations for the year then ended.

### **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 Davis Superannuation Fund meet the requirements of the SMSF's governing rules, the Superannuation Industry (Supervision) Act 1993 (SISA) and the Superannuation Industry (Supervision)

**Davis Superannuation Fund**

**Self-Managed Superannuation Fund**

# **Independent Auditor's Report**

---

Regulations 1994 (SISR). As a result, the financial report may not be suitable for another purpose.

**Davis Superannuation Fund**  
**Self-Managed Superannuation Fund**

# **Independent Auditor's Report**

---

## **PART B - COMPLIANCE REPORT**

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

Each SMSF trustee is responsible for complying with the requirements of the SISA and the SISR.

### **Approved SMSF auditor's responsibility**

My responsibility is to express a conclusion on the trustee's compliance, based on the compliance engagement.

My firm applies the Australian Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

I have complied with the competency standards set by ASIC, the auditor independence requirements prescribed by the SISR and the ethical requirements relating to assurance engagements which are founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

My audit has been conducted in accordance with applicable Standards on Assurance Engagements, to provide reasonable assurance that the trustee of the fund has 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

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

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 2017.

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. My procedures with respect to section 62 included testing that the fund trust deed establishes the fund solely for the provision of retirement benefits for fund members or their dependants in the case of the member's death before retirement; a review of investments to ensure the fund is not providing financial assistance to members, unless allowed under the legislation; and testing that no preserved benefits have been paid before a condition of release has been met.

My procedures with respect to regulation 4.09 included testing that the fund trustee has an investment strategy, that the trustee has given consideration to risk, return, liquidity, diversification, the insurance needs of fund members, and that the fund's investments are made in line with that investment strategy. No opinion is made on the investment strategy or its appropriateness to the fund members.

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



**Davis Superannuation Fund**  
**Self-Managed Superannuation Fund**

# **Independent Auditor's Report**

---

**Approved SMSF auditor's conclusion**

In my opinion, each trustee of Davis Superannuation Fund has complied, in all material respects, with the requirements of the SISA of the SISR specified above, for the year ended 30 June 2017.

Signature of approved SMSF auditor:

.....

Michael Bellesini

Date:

## Davis 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.

Section or Regulation	Explanation
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

## Davis 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