

21 February 2022

The Trustees
Zanoli Super Fund
C/o- Bartley Partners
322 Glen Osmond Road
Myrtle Bank SA 5064

Dear trustee for Zanoli Super Fund,
RE: AUDIT MANAGEMENT LETTER

I wish to advise that the audit of Zanoli Super Fund for the year ended 30 June, 2021 has recently been completed.

Auditors are encouraged by the Australian Taxation Office to issue management letters at the completion of each audit as a means of advising the trustee of any matters noted during the course

I advise that I have encountered following matters during course of the audit that I believe should be brought to your attention:

1. I note both properties are self-managed, Where Unit 1, 41 DOUGLAS DRIVE, MAWSON LAKES, SA 5095 was leased to related party. From 1 November 2020 property is now leased to unrelated party.

Trustee to ensure all terms of the lease including outgoings are at arm's length for the fund to comply with regulation S109.

2. Fund do not currently hold insurance contract for the life of the member Mrs Julie Ann Zanoli of the fund. Trustees to ensure appropriate insurance cover consideration is reviewed within Investment Strategy regularly.
3. Trustee to take a note of recent COVID-19 disease spread events which may have significant effect on asset valuation and thus on member balances. Trustee to obtain adequate prudent financial advice in this regard and update Investment Strategy to this effect.
4. Fund has made investment into property which is 62% of gross assets of the fund. Trustee to take a note to the regulation 4.09 (2) (b) which states:
(2) The trustee of the entity must formulate, review regularly and give effect to an investment strategy that has regard to the whole of the circumstances of the entity including, but not limited to, the following:
 - (a) the risk involved in making, holding and realising, and the likely return from, the entity's investments, having regard to its objectives and expected cash flow requirements;
 - (b) the composition of the entity's investments as a whole, including the extent to which they are diverse or involve exposure of the entity to risks from inadequate diversification;
 - (c) the liquidity of the entity's investments, having regard to its expected cash flow requirements;
 - the ability of the entity to discharge its existing and prospective liabilities;
 - (e) whether the trustees of the fund should hold a contract of insurance that provides insurance cover for one or more members of the fund.

Trustee to ensure above consideration of risk, return, cash flow requirements and diversification are documented into Investment Strategy and reviewed regularly to comply with regulation 4.09.

This report is prepared on basis of the limitations set out below.

The matters raised in this report are only those that came to our attention during course of our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or improvements that might be

made. For the real estate property purchase contracts held by the fund, to ascertain any stamp duty implications and ownership issues, a suitably qualified legal practitioner's advice is recommended. I note that the member statements attached to the financial report have not been audited, as this is outside the scope of our audit engagement. Whilst I do complete an audit of the movements in the member account during the financial year being audited, I am unable to provide an opinion as to the accuracy of historical components and eligible service date information that relates to transactions that have occurred in prior years.

We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud.

Accordingly, management should not rely on our report to identify all weaknesses that may exist in the systems and procedures reviewed, or potential instances of fraud that may exist. Our comments should be read in the context of the scope of our work. Findings within this report may have been prepared based on management representations.

This report has been prepared solely for your use as management of Zanoli Super Fund and should not be quoted in whole or in part without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose.

Should you have any questions in relation to the above matters, please do not hesitate to contact me on telephone number 03 901 63 599.

Yours faithfully,



Shiv Parihar CA, CPA, SSAud
MBA (Law), B.Com (Hons. Acts Bus Stat), DFP (FS), MAICD

