



Australian Super Auditors Pty Ltd  
Is a CPA Practice

Umesh Manek  
Certified Practising Accountant  
ABN No: 89 612 025 171  
Unit 314, 20A Lexington Drive,  
Bella Vista, NSW 2153  
Email: [audit@mysuperauditor.com.au](mailto:audit@mysuperauditor.com.au)  
Phone: 0433 186 939

06 July 2021

The Trustees  
Beach Time Super Fund  
4 Parumba St  
WURTULLA, QLD 4575

Dear Trustees

**RE: AUDIT MANAGEMENT LETTER**

I wish to advise that the audit of Beach Time Super Fund for the year ended 30 June 2020 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 audit.

My audit work involves an examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report to form an opinion as to whether, in all material respects, the financial report is fairly stated in accordance with the accounting policies described in the notes thereto. Further, my audit work involves an examination, again on a test basis, of evidence supporting compliance with certain requirements of the Superannuation Industry (Supervision) Act 1993 and the Superannuation Industry (Supervision) Regulations 1994 ("SIS").

***I would like to bring the following to your attention***

**Diversification Risk**

*Observation*

I would like to draw your attention to the well-publicized recent activity by the Australian Taxation Office whereby ATO has written to a large number of SMSF Trustees asking them to provide evidence, ideally by way of a written investment strategy, as to how they have considered a range of matters relating to the diversification of their SMSF's investments (such consideration being a requirement under Regulation 4.09 of the Superannuation Industry (Supervision) Regulations).

*Recommendation*

Given the concentration of your SMSF's assets in a single asset class or direct property, please do ensure particular attention is being paid to your Regulation 4.09 obligations and the effective documentation of your related considerations in the SMSF's investment strategy.

---

Liability Limited by a scheme approved under Professional Standards Legislation



Australian Super Auditors Pty Ltd  
Is a CPA Practice

Umesh Manek  
Certified Practicing Accountant  
ABN No: 89 612 025 171  
Unit 314, 20A Lexington Drive,  
Bella Vista, NSW 2153  
Email: [audit@mysuperauditor.com.au](mailto:audit@mysuperauditor.com.au)  
Phone: 0433 186 939

## Mortgage Details

I noticed that the super fund has acquired the property at 18/14 Bright Place, Birtinya, QLD through an LRBA arrangement with a related party Morcom Family Trust. The super fund has not created a charge in favour of the lender which is a breach of Safe Harbor guidelines issued by the ATO. I have been advised by the trustees that the mortgage details will be registered by 31st July 2021 as the delay occurred due to Covid. This will be considered as a potential breach of Sec 67A as per which the fund must comply with the limited recourse borrowing arrangement rules.

As the above are reportable breaches, I have qualified Part B of the audit report and notified the ATO that the breach will be rectified by 31st July 2021.

Except above, I advise that I have not encountered any matters during my audit that I believe should be brought to your attention.

If you would like to discuss any matters, please do not hesitate to contact me.

Regards,

A handwritten signature in blue ink that reads 'Umesh Manek'.

**Umesh Manek**

---

Liability Limited by a scheme approved under Professional Standards Legislation