

24 February 2023

Dear trustees,

SM REID GROUP SUPERFUND - MANAGEMENT LETTER FOR THE YEAR ENDED 30 JUNE 2022

I wish to advise that the audit of your superfund for the year ended 30 June 2022 has recently been completed. Auditors are encouraged by the Australian Taxation Office to issue management letters at the completion of the audit as a means of advising the trustee of any matters noted during the course of the audit.

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

It should be noted that our audit tests did not cover every provision of the SIS Act nor would they necessarily detect all instances of non-compliance. The matters raised below for your attention are those detected in the course of our audit procedures. This does not mean that there are no further matters that you should be aware of in meeting your responsibilities as trustees, nor does this report absolve you from taking appropriate action to meet these responsibilities.

Matters for the Trustees' attention

No.	Event	Relevant SIS legislation	
1	The trustees of the Superfund withdrew a total of \$168,992.20 from the Superfund during the 2022 financial year without meeting the conditions of release. The trustees advised that they would reimburse the amount in mid April 2023.	Sole Purpose Test	S62
		Provision of Financial Assistance to A Member	S65
			R5.08
		Minimum Benefits	R6.17
		Restriction on Payment of Benefits	R4.09A
		Separation of Assets	

Suggested trustees' action

No.	Explanation & Suggested Actions
1	<p>In accordance with the SIS Act and Regulation mentioned above, your Superfund needs to be maintained for the sole purpose of providing retirement benefits to your members and your super must be preserved in the Superfund until the time the law and your Superfund's trust deed allows them to be paid. The Superfund's assets should be kept separate to the personal assets of the Trustee(s).</p> <p>Please return the amount with interest if applicable to your Superfund as soon as possible and provide the document to ESUPERFUND evidencing the reimbursement.</p> <p>Please refer to the following ATO websites for more information: https://www.ato.gov.au/Super/Self-managed-super-funds/Investing/Sole-purpose-test/ https://www.ato.gov.au/Super/Self-managed-super-funds/Paying-benefits/Conditions-of-release/ https://www.ato.gov.au/Super/Self-managed-super-funds/Investing/Ownership-and-protection-of-assets/</p>

As your auditor, where I am required to lodge a contravention report with the Australian Taxation Office, your action plan to rectify this event and any mitigating circumstances can be included in this report. This will assist the regulator when they assess your Superfund.

Yours sincerely,

Huiting Li – SMSF Auditor