

**The Spalding Superannuation Fund
Self-Managed Superannuation Fund Independent Audit Report
for the year ended 30 June 2020**

Approved SMSF auditor details

Name	Narendra Kasandaria
Postal Address	PO Box 1107, Parramatta, NSW 2124
SMSF Auditor Number (SAN)	100268166

Self-managed superannuation fund details

Self-managed Super Fund (SMSF) Name	The Spalding Superannuation Fund
Australian Business Number (ABN)	41 012 594 105
Address	97 Ruddle Drive, Reesville, QLD 4552
Year of Income Being Audited	2020

To the SMSF trustees of **The Spalding Superannuation Fund**

PART A: FINANCIAL AUDIT

Opinion

I have audited the special purpose financial report of **The Spalding Superannuation Fund** comprising the statement of financial position as at 30 June 2020, and the operating statement, a summary of significant accounting policies and other explanatory notes.

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 report, the financial position of the fund at 30 June 2020 and the results of its operations for the year then ended.

Basis for Opinion

My audit has been conducted in accordance with the Australian Auditing Standards issued by the Auditing and Assurance Standard Board. 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 SMSF in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to this audit and 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 opinion.

Emphasis of matter – Basis of Accounting

I draw attention to note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared to assist **The Spalding 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 other purposes and should not be distributed to parties other than the trustees. My opinion is not modified in respect of this matter.

Responsibilities of SMSF Trustees for the Financial Report

Each SMSF trustee (individual 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 SISA and the 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 or have not realistic alternative but to do so.

Each SMSF trustee is responsible for overseeing the fund's financial reporting process.

Approved SMSF Auditor's Responsibility for the Audit of the Financial Report

My objectives are 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 the 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.

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 an 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 have communicated 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 may identify during the audit.

PART B: COMPLIANCE ENGAGEMENT

Opinion

I have undertaken a reasonable assurance engagement on **The Spalding Superannuation Fund**'s compliance, in all material respects, with the applicable provisions of the SISA and the SISR as listed below ("the listed provisions") for the year ended 30 June 2020.

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

In my opinion, each trustee of **The Spalding Superannuation Fund** has complied in all material respects, with the listed provisions, for the year ended 30 June 2020.

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 and other ethical requirements relating to assurance engagements, and applied Auditing Standards 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.

SMSF Trustees' Responsibility for Compliance

Each SMSF trustee is responsible for complying with the listed provisions and for the identification of risks that threaten compliance with the listed provisions, controls which will mitigate those risks and monitoring ongoing compliance.

Approved SMSF Auditor's Responsibility for the Compliance Report

My responsibility is to express an opinion on the trustees' compliance, in all material respects, with the listed provisions, for the year ended 30 June 2020. ASAE 3100 Compliance Engagements requires I plan and perform my procedures to obtain reasonable assurance about whether the trustee have complied, in all material respects, with the listed provisions for the year ended 30 June 2020.

An assurance engagement to report on the trustees' compliance with the listed provisions 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 listed provisions for the year ended 30 June 2020.

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 for the year ended 30 June 2020 does not provide assurance on whether compliance with the listed provisions will continue in the future.

NARENDRA KASANDARIA
Date – 12-08-2020

APPENDIX 1- Explanation of listed sections and regulations in compliance engagement

This appendix is included to assist trustees 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
S35(C)(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"> • fund members upon their retirement • fund members upon reaching a prescribed age • the dependents of a fund member in the case of the member's death before retirement
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 exemption) 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 exemption)
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 trustee 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 trustee 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
S105	The trustee 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
SubReg 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
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 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

12-08-2020

Private and Confidential

The Trustee,
The Spalding Superannuation Fund,
97 Ruddle Drive, Reesville, QLD 4552

Dear Sir / Madam,

RE: AUDIT MANAGEMENT LETTER

I have completed the audit of **The Spalding Superannuation Fund** for the financial year ended 30 June 2020.

I wish to report to you the following matters arising from my audit:

1. Superannuation Industry (Supervision) Act 1993 (SIS Act) and the Superannuation Industry (Supervision) Regulations 1994 (SIS Regulations) reportable breaches

No reportable contraventions of the SIS Act and/or SIS Regulations were identified during my audit.

2. Material audit adjustments

No material audit adjustments were identified during my audit.

3. Matters for trustee attention

Unlisted investment:

I am limited in my ability to accurately value unlisted private companies without a formal valuation. Accordingly, as the evidence available to me was limited, my audit procedures in respect to the Jiva Technology Ltd and Lumenic Technology Pty Ltd had to be restricted. I am therefore unable to express an opinion on the value and recoverability of your investment in Jiva Technology Ltd and Lumenic Technology Pty Ltd.

Investment Strategy:

The investment strategy is not in line with the latest guidelines issued by the ATO recently. Please refer to the below link and read carefully about the ATO guidelines.

<https://www.ato.gov.au/super/self-managed-super-funds/investing/your-investment-strategy/>

Based on my findings and the above guidelines, I recommend trustees to review and update the investment strategy of your fund at the earliest to comply with the ATO guidelines. The requirement to consider Member Profile & Asset Range (not to be generic 0-100%) is not being complied with the current strategy as per the guidelines. Please make sure that I have been provided with the updated investment strategy as soon as possible but no later than completing the next year's audit. If I have not been provided with the updated investment strategy, I will have to lodge a contravention report with the ATO and the trustees may also attract penalty as mentioned in the ATO guidelines.

A penalty of \$4,200 (as indexed each 1 July) can be applied to each individual trustee or the corporate trustee for a breach of the investment strategy requirements. The directors of a corporate trustee are jointly and severally liable to pay this penalty.

4. Further matters for your review

I did not identify any significant administration issues in the conduct of my audit.

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

I cannot, in practice, examine every activity and procedure, nor can I 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 my report to identify all weaknesses that may exist in the systems and procedures reviewed, or potential instances of fraud that may exist. My comments should be read in the context of the scope of my work. Findings within this report may have been prepared on the basis of management representations.

This report has been prepared solely for your use as Trustee of **The Spalding Superannuation Fund** and should not be quoted in whole or in part without my 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.

Yours faithfully,



NARENDRA KASANDARIA

22-07-2020

Private and Confidential

The Trustee,
The Spalding Superannuation Fund,
97 Ruddle Drive, Reesville, QLD 4552

**Audit Engagement of
The Spalding Superannuation Fund**

The objective and scope of the audit

You have requested that I audit **The Spalding Superannuation Fund**:

1. Financial report, which comprises the statement of financial position and the operating statement for the year ended 30 June 2020 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 Australian Taxation Office, which are:

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

Regulations: 1.06(9A), 4.09, 4.09A, 5.03, 5.08, 6.17, 7.04, 8.02B, 13.12, 13.13, 13.14, and 13.18AA of the SISR.

I am pleased to confirm my acceptance and my understanding of this engagement by means of this letter. My audit will be conducted pursuant to the SISA with the objective of my 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

I will conduct my financial audit in accordance with Australian Auditing Standards and my compliance engagement in accordance with applicable Standards on Assurance Engagements, issued by the Auditing and Assurance Standards Board (AUASB). These standards require that I 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 35C of the SISA, I am 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, 28 days after the trustees have provided all documents relevant to the preparation of the auditor's report.

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 my risk assessments, I consider internal 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 internal controls. However, I expect to provide you with a separate letter concerning any significant deficiencies in the Fund's system of accounting and internal controls that come to my attention during the audit of the financial report. This will be in the form of a letter to the trustee.

Compliance engagement

A compliance engagement 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.

My compliance engagement 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 has been reviewed regularly and gives due consideration to risk, return, liquidity, diversification and the insurance needs of members. My 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

I 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.

My 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. The system of accounting and internal control should be adequate in ensuring that all transactions are recorded and that the recorded transactions are valid, accurate, authorised, properly classified and promptly recorded, so as to facilitate the preparation of reliable financial information. This responsibility to maintain adequate internal controls also extends to the Fund's compliance with SIS including any Circulars and Guidelines issued by a relevant regulator to the extent applicable. The internal controls should be sufficient to prevent and/or detect material non-compliance with such legislative requirements;
- Selecting and applying appropriate accounting policies;
- Making available to us all the books of the Fund, including any registers and general documents, minutes and other relevant papers of all Trustee meetings and giving us any information, explanations and assistance I require for the purposes of my audit. Section 35C(2) of SISA requires that Trustees must give to the auditor any document, relevant to the conduct of the audit, that the auditor requests in writing within 14 days of the request.

As part of my audit process, I will request from the trustees written confirmation concerning representations made to me in connection with the audit.

My audit report is prepared for the members of the Fund and I disclaim any assumption of responsibility for any reliance on my 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

I confirm that, to the best of my knowledge and belief, the engagement team meets the current independence requirements of the SISA and SISR including APES 110 Code of Ethics for Professional Accountants in relation to the audit of the Fund. In conducting my financial audit and compliance engagement, should I become aware that I have contravened the independence requirements, I shall notify you on a timely basis.

Report on matters identified

Under section 129 of the SISA, I am required to report to you in writing, if during the course of, or in connection with, my audit, I become aware of any contravention of the SISA or SISR which I believe has occurred, is occurring or may occur. Furthermore, you should be aware that I am also required to notify the ATO of certain contraventions of the SISA and SISR that I 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, I am required to report to you and the ATO if I 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. The completed audit report may be provided to you as a signed hard copy or a signed electronic version.

Compliance program

The conduct of my engagement in accordance with Australian Auditing Standards and applicable Standards on Assurance Engagements means that information acquired by me in the course of my engagement is subject to strict confidentiality requirements. Information will not be disclosed by me to other parties except as required or allowed for by law or professional standards, or with your express consent. My audit files may, however, be subject to review as part of the compliance program of a professional accounting body or the ATO. I advise you that by signing this letter you acknowledge that, if requested, my audit files relating to this audit will be made available under these programs. Should this occur, I shall advise you. The same strict confidentiality requirements apply under these programs as apply to me as your auditor.

Limitation of liability

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

Fees

I look forward to full co-operation with you and I trust that you will make available to me whatever records, documentation and other information are requested in connection with my audit.

My fees, which will be billed as agreed at the time of engagement, plus direct out-of-pocket expenses and I trust that this arrangement is acceptable to you.

Other

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

Information will not be disclosed by me to other parties except as required or allowed for by law or professional standards, or with your authority. My audit files may be subject to review as part of the quality control review program of The Certified Practising Accountants (“CPA Australia”) which monitors compliance with professional standards by its members. My audit files may also be subject to review by the ATO and the Australian Securities and Investments Commission (“ASIC”). I advise you that by signing this letter you acknowledge that, if requested, my audit files relating to this audit will be made available under any of these review

programs. The same strict confidentiality requirements apply under the CPA Australia, ATO and ASIC reviews that apply to myself as your auditor.

Prior to my accepting this appointment as auditor, I am obligated to contact your previous auditor. I may also need to request documentation that may be contained in the audit file of your previous auditor. Your signature below permits me to do this and permits the previous auditor to provide that information.

Please sign and return the attached copy of this letter to indicate that it is in accordance with your understanding of the arrangements for my financial audit and compliance engagement of **The Spalding Superannuation Fund**.

Yours faithfully,



NARENDRA KASANDARIA
ASIC Auditor No: 100268166

Acknowledged on behalf of the trustees of **The Spalding Superannuation Fund** by (signed).

Stuart Spalding



SIGN HERE

Janine Spalding



SIGN HERE

Date Signed: 12, 08, 20

CAMARA BAY PTY LTD

ACN 082 725 353

22-07-2020

Private and Confidential

**Narendra Kasandaria,
PO Box 1107, Parramatta, NSW 2124**

Dear Sir / Madam,

This representation letter is provided in connection with your audit of the financial report of **The Spalding Superannuation Fund**'s compliance with the Superannuation Industry (Supervision) Act 1993 (SISA) and SIS Regulations (SISR), for the year ended 30 June 2020, 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 June 2020 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. Fund's governing rules, 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 or director of the corporate trustee receives any remuneration for any duties or services performed by the trustee or director in relation to the Fund.

The Fund has been conducted in accordance with its governing rules at all times during the year and there were no amendments to the governing rules 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.

The Fund has complied with the requirements of the SISA and SISR specified in the approved form auditor's report as issued by the ATO, which are:

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

Regulations: 1.06(9A), 4.09, 4.09A, 5.03, 5.08, 6.17, 7.04, 8.02B, 13.12, 13.13, 13.14 and 13.18AA of the SISR.

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 and reviewed with due regard to risk, return, liquidity, diversity and the insurance needs of Fund members, 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

All transactions have been recorded in the accounting records and are reflected in the financial report.

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 and fraud. 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.

We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Fund and involves the trustees or others.

In instances where the Fund uses a custodian, we confirm we have not been advised of any fraud, non-compliance with laws and regulations or uncorrected misstatements that would affect the financial report of the Fund. Information retention obligations have been complied with, including:

- accounting records and financial reports are being kept for five years;
- minutes and records of trustees' or directors of the corporate trustee meetings or for sole trustee: decisions are being kept for 10 years;
- records of trustees' or directors of the corporate trustee changes and trustees' consents are being kept for at least 10 years;
- copies of all member or beneficiary reports are being kept for 10 years; and
- trustee declarations in the approved form have been signed and are being 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 other than those disclosed in the financial report.

8. Safeguarding assets

We have considered the importance of safeguarding the assets of the Fund, and we confirm we have the following procedures in place to achieve this:

- Authorised signatories on bank and investment accounts are regularly reviewed and considered appropriate; and
- Tangible assets are, where appropriate, adequately insured and appropriately stored.

9. Significant assumptions

We believe that significant assumptions used by us in making accounting estimates are reasonable.

10. 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.

11. Ownership and pledging of assets

The Fund has satisfactory title to all assets appearing in the statement of financial position. 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.

12. Related parties

We have disclosed to you the identity of the Fund's related parties and all related party transactions and relationships.

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.

13. Borrowings

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

14. Subsequent events

Since the date of the financial report, there have been considerable economic impacts arising from the COVID-19 pandemic, and Government actions to reduce the spread of the virus. The trustees are unable to determine the significant adverse effect on the

Fund's financial position and any such financial effect is not included in the financial statements except the notes to the financial statement is updated in order to ensure the financial statements are not misleading as to the financial position of the Fund or its operations. The impacts may include a significant reduction in the carrying value of the SMSF assets and investments. The Trustees acknowledge their responsibility to continuously monitor the situation and evaluate this impact including whether the fund remains a going concern and its ability to pay its liabilities and future retirement benefits.

15. Outstanding legal action

We confirm you have been advised of all significant legal matters, and that all known actual or possible litigation and claims have been adequately accounted for, and been appropriately disclosed in the financial report.

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

16. Going concern

We confirm we have no knowledge of any events or conditions that would cast significant doubt on the Fund's ability to continue as a going concern.

17. Trustee Remuneration

We confirm that the trustees have not received any remuneration for performing any of their duties as trustees.

18. Limiting the Power of Trustees

We confirm that any of the trustees have not entered into any contracts which would have the effect of limiting their powers as trustee or hindering the proper exercise of those powers.

19. Assignment of Member's Interest

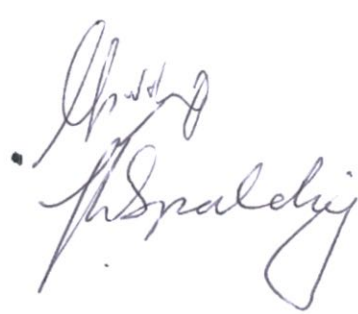
We confirm that there has not been any assignment of any member's interest in the fund.

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 the 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,

Stuart Spalding

Janine Spalding



SIGN HERE

SIGN HERE