

## ENGAGEMENT LETTER

To: The Trustees, Carnegie SMSF Pty Ltd

### Scope

You have requested that we audit the financial report of Carnegie SMSF, which comprises the balance sheet as at 30 June 2020, and the income statement for the year then ended a summary of significant accounting policies, other explanatory notes and the trustees' declaration. We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter. Our audit will be conducted with the objective of expressing an opinion on the financial report and compliance with the *Superannuation Industry Supervisory Act 1993*.

We will conduct our audit in accordance with Australian Auditing Standards. Those Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. An 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. An 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.

Because of 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 internal control relevant to the entity'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 entity's internal control.

We take this opportunity to remind you that the responsibility for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Superannuation Industry Supervisory Act 1993* is that of the trustees. Our auditor's report will explain that the trustees are responsible for the preparation and the fair presentation of the financial report in accordance with the applicable financial reporting framework and this responsibility includes:

- designing, implementing and maintaining internal control 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; and
- 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.

**Other Matters under the *Corporations Act 2001***

*Independence*

We confirm that, to the best of our knowledge and belief, we currently meet the independence requirements of the *Corporations Act 2001* in relation to the audit of the financial report. In conducting our audit of the financial report, should we become aware that we have contravened the independence requirements of the *Corporations Act 2001*, we shall notify you on a timely basis.

We look forward to your full cooperation and make available to us whatever records, documentation and other information we request in connection with our audit.


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 audit of the financial report.

Yours faithfully,

.....

A.W. Boys  
Registered Company Auditor 67793  
Dated

Acknowledged on behalf of, Carnegie SMSF by  
(signed)

  
.....  
Christopher Carnegie Director  
Dated

  
Elizabeth Carnegie Director  
Dated

# **Audit Representation Letter from Trustee(s)**

## **Carnegie SMSF**

**Year ended 30 June 2020**

To the auditor,

Dear Sir,

With respect to the audit of the financial statements of the above mentioned fund for the year ended stated, the following representations are made which are true and correct to the best of my (our) knowledge and belief that will address the necessary compliance requirements of the *Superannuation Industry (Supervision) Act 1993*.

### **Preparation of the ATO Income Tax & Regulatory Return**

The information disclosed in the annual return is complete and accurate.

### **Sole Purpose of the Fund**

The sole purpose of the Fund is to provide retirement and/or death benefits to its members and/or beneficiaries.

### **Accounting Policies**

All the significant accounting policies of the Fund are adequately described in the Financial Statements and the Notes thereto. These policies are consistently applied unless specifically noted in the Financial Statements and Notes.

### **Fund Books/Records/Minutes**

All financial books, records and relevant material relating to the transactions and activities of the Fund have been made available to you, including minutes of the Trustees' meetings, the Trust Deed (as amended) and the Rules of the Fund. The Financial Statements accurately disclose the Revenue and Expenses and the full extent of the Assets and Liabilities of the Fund.

### **Asset Form**

The assets of the Fund are being held in an acceptable form suitable for the benefit of the members of the Fund, and have been stated at their net market value.

## **Ownership and Pledging of Assets**

1. The Fund has satisfactory title to all assets shown in the Financial Statements
2. Investments are registered in the name of Carnegie SMSF
3. No assets of the Fund have been pledged to secure liabilities of the Fund or of any other fund or entity.

## **Investments**

1. Investments are carried in the books at their net market value.
2. Amounts stated are considered reasonable in the current market condition, and there has not been any permanent diminution in their value below the amounts recorded in the Financial Statements.
3. There are no commitments, fixed or contingent, for the purchase or sale of long term investments.
4. Investment transactions and investments held are in accordance with the Investment Strategy, which has been determined with due regard to risk, return, liquidity and diversity.
5. The Trustee(s) have complied with all the Investment Standards stipulated in the Regulations relating to the SIS Act as amended.

## **Trust Deed Amendments**

All amendments (if any) to the Trust Deed were made in order for the Fund to comply with the SIS Act, Regulations and any other applicable legislation relating to the operation and governance of the Fund.

## **Governing Rules**

The Fund is being conducted in accordance with its Trust Deed and Governing Rules.

## **Legislative Requirements**

The Fund is being conducted in accordance with the *Superannuation Industry (Supervision) Act 1993*, and the Regulations of the said Act.

## **Trustee Responsibilities**

The Trustees are aware of their responsibilities to the Members and the various regulatory bodies.

## **Trustee Covenants**

The Trustee(s) have complied with all the Trustee Covenants set out in section 52 of the *Superannuation (Supervision) Act 1993*.

### **Disqualified person not to act as a Trustee**

There is no reason why any Trustee should be prohibited from acting as a Trustee of this Superannuation Fund.

### **Information to Members**

Information relating to the transactions and activities of the Fund has been supplied in a timely manner.

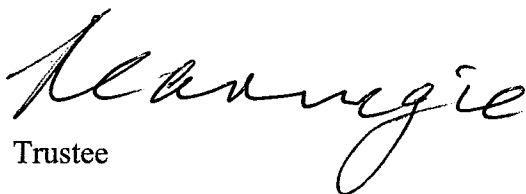
### **Meetings**

Meetings have been conducted in accordance with the Trust Deed and the requirements of the SIS Act. Resolutions and issues on which the Trustee(s) have voted, or on which they were required to vote have been passed by at least a 2/3rds majority of the Trustees.

### **Subsequent Events**

Since the end of the financial year stated in the Financial Statements till the date of this letter, there have been no events or transactions that would have a material effect upon the Fund either financially or operationally.

Yours faithfully

A handwritten signature in cursive script, appearing to read "A Carnegie".

Trustee

A handwritten signature in cursive script, appearing to read "B Carnegie".

Trustee

# Investment Strategy

As at 30 June 2020

	Benchmark %	Minimum %	Maximum %
Cash	5.00	-	100.00
Australian Shares	50.00	-	100.00
Australian Fixed Interest	15.00	-	100.00
Mortgages	5.00	-	100.00
Direct Property	10.00	-	100.00
Listed Property	5.00	-	100.00
International Shares	-	-	100.00
International Fixed Interest	-	-	100.00
Other Assets	10.00	-	100.00

## Investment Aims and Objectives

### 1. General Objectives

To ensure that the Trustees' duties and powers are performed and exercised in the best interests of the beneficiaries, the following general objectives have been formulated:

The Trustees will:

- act prudently to pursue maximum rates of return subject to acceptable risk parameters and maintenance of achievable diversification;
- ensure sufficient liquidity is retained to meet benefit payments due; and
- amend specific objectives in accordance with changing risk profiles.

### 2. Specific Objectives

The Trustees have adopted the following specific objectives for the investment of assets of the Fund:

- to achieve a net (after tax and charges) rate of return that exceeds CPI by at least 3% per annum over a rolling 5 year period; and
- to have a low expectation of negative returns in any 12 month period.

The Trustees will consider the implementation of these objectives through a single asset strategy if appropriate.

## Asset Allocation Strategy

When managers choose to deviate the actual asset mix away from the benchmark mix, they are taking active asset allocation decisions which may prove either beneficial or detrimental in terms of the final portfolio return relative to the passive benchmark return.

## Fund Circumstances

When devising an investment strategy, the trustee must first decide on how the moneys are to be invested so that the fund's investment objectives are best met. There are a multitude of ways to invest money that need to be considered even before the issue of what type of investment vehicle to choose is considered.

## Diversification

Diversification has been assessed by the Trustees after considering:

- existing Fund assets;
- existing and projected Fund membership;
- ability of the Fund to discharge existing and prospective liabilities;
- liquidity of the funds investments having regard to expected cash flow requirements; and

# Investment Strategy

As at 30 June 2020

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e) the decision not to implement a reserving policy.

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## Member Insurance

The Trustees have considered whether the fund should hold a contract of insurance that provides insurance cover for each member of the fund. After consultation with each member, the Trustees have taken any action necessary to obtain, update or cancel contracts of insurance.

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## Review and Performance Monitoring

### Review

The Trustees will review the objectives of the Fund annually and at any such other time as may be deemed necessary.

### Performance Monitoring

The Trustees will monitor the performance of the investment strategy and the ability of the strategy to achieve the Funds investment objectives by comparing returns with objectives annually.

The beneficiaries of the Fund will be allowed access to prescribed information and will be provided information regarding the performance of the Fund.

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## Risk

The Trustees have implemented the strategy taking into consideration the risk involved in making, holding and realising, and the likely return from the Funds investments in accordance with the investment objectives and the Funds expected cash flow requirements.

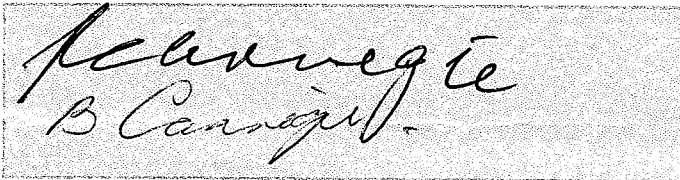
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## Life Insurance

The Trustee has given consideration to the current members' age, work status and their superannuation balances. The trustee will discuss with the members should insurance be considered appropriate or necessary and obtain relevant levels of insurance coverage.

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Trustee(s) Signature



A rectangular box containing a handwritten signature in black ink. The signature appears to read "B Carnegie".

Date

18	11	2020
DD	MM	YYYY

## CARNEGIE SMSF

### Trustee Declaration

For the year ended 30 June 2020

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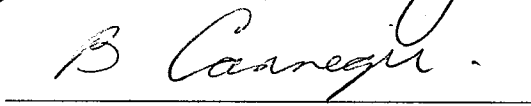
The directors of the trustee company have determined that the fund is not a reporting entity. The directors of the trustee company have determined that the special purpose financial statements should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

In the opinion of the directors of the trustee company:

- i. The financial statements, notes to the financial statements and member statements for the 30 June 2020 present fairly, in all material respects, the financial position of the superannuation fund at 30 June 2020 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 member 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 2020.

Signed in accordance with a resolution of the directors of the trustee company by:

  
Christopher Carnegie

  
Elizabeth Carnegie

Date: 18/11/2020



# **Minutes of Meeting of the Directors of CARNEGIE SMSF PTY LTD (ACN 142215067) as Trustee for CARNEGIE SMSF**

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<b>Held at:</b>	Suite 27 83 Booralie Road TERRY HILLS NSW 2084
<b>Held on:</b>	11/11/2020
<b>Present:</b>	Christopher Carnegie Elizabeth Carnegie
<b>Minutes:</b>	<p>The Chair reported that the minutes of the previous meeting had been signed as a true record.</p> <p>The company acts as trustee of CARNEGIE SMSF.</p>
<b>Financial Statements:</b>	<p>It was resolved that the financial statements would be prepared as special purpose financial statements as, in the opinion of the directors of the trustee company, the superannuation fund is a non-reporting entity and therefore is not required to comply with all the 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 30th June 2020 and it was resolved that such statements be and are hereby adopted as tabled.</p>
<b>Trustee Declaration:</b>	<p>It was resolved that the trustee declaration included in the superannuation fund's financial statements be signed.</p>
<b>Income Tax Return:</b>	<p>Being satisfied that the fund had complied with the requirements of the Superannuation Industry (Supervision) Act 1993 (SISA) and Regulations during the year ended 30th June 2020, it was resolved that, once the audit has been finalised and the audit report issued, the annual return be approved and signed by</p>

the trustee and lodged with the Australian Taxation Office by Jennifer Gibbon.

**Investment Strategy:**

The allocation of the fund's assets and the fund's investment performance over the financial year were reviewed and found to be within the acceptable ranges outlined in the investment strategy. After considering the risk, rate of return, diversification and liquidity of the investments, the ability of the fund to discharge its existing liabilities and the provision of insurance cover for fund members, it was resolved that the investment strategy continues to reflect the purposes and circumstances of the fund and its members. Accordingly, no changes to the investment strategy were required.

**Allocation of Income:**

It was resolved that the income of the fund would be allocated to the members in accordance with the fund's trust deed, on a fair and reasonable basis.

**Investment Acquisitions/Disposals:**

It was resolved to ratify the investment acquisitions and disposals throughout the financial year ended 30th June 2020.

01/07/2019	SELL	Coles Group Limited	8,810.45
01/07/2019	BUY	Colesgroup Ordinary Fully Paid	8,810.45
15/11/2019	SELL	Cybg Plc Cdi 1:1 Foreign Exempt Lse	954.38
15/11/2019	BUY	Virgin Money UK Plc	954.38
15/04/2020	SELL	Commonwealth Bank.	19,188.57
15/04/2020	BUY	Westpac Banking Corp	19,442.45
15/04/2020	BUY	Commonwealth Bank.	19,533.95
15/04/2020	SELL	Westpac Banking Corp	19,336.88

**Auditors and Tax Agents:**

It was resolved that SuperAudits will continue acting as auditor and Jennifer Gibbon will continue as tax agent of the fund for the year ending 30th June 2021.

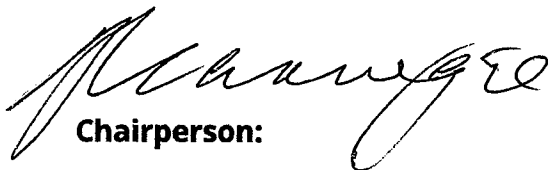
**Director's Status:**

Each of the directors confirmed that they are qualified to act as a director of the trustee company and that they are not a disqualified person as defined by s120 of the SISA.

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

There being no further business the meeting was closed.

**Signed as a true and correct record**

  
**Chairperson:**

**Date:** 18/11/2020